



CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING AGENDA

MONDAY, OCTOBER 1, 2018 ~ 6:00 P.M.

LAW ENFORCEMENT CENTER ~ 1601 EAST MAIN STREET

Linda Langerhans, Mayor
Jerry Luckenbach, Council Member
Tom Musselman, Council Member

Gary Neffendorf, Council Member
Charlie Kiehne, Council Member
Kent Myers, City Manager

The City of Fredericksburg City Council will meet in a regular session on Monday, October 1, 2018 at 6:00 p.m. in the Law Enforcement Center, 1601 East Main Street, Fredericksburg, Texas. This is an open meeting, open to the public, subject to the Open Meetings Law of the State of Texas, and as required by law, notice is hereby posted on September 28, 2018 before 5:00 p.m., providing time, place, date and agenda thereof. The meeting facility is wheelchair accessible and accessible parking spaces are provided. Requests for accommodations or interpretative services must be made to the City Secretary 48 hours prior to this meeting.

(Please turn off all pagers and phones, except emergency on-call personnel.)

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. EMPLOYEE RECOGNITIONS

5. PUBLIC COMMENTS

This time is for citizens to address the City Council on issues and items of concern not on this agenda. There will be no City Council action at this time.

6. ORDINANCES - RESOLUTIONS-ACTION ITEMS

- A. Consider approval of Ordinance 28-016 amending Chapter 20 - Offenses and Miscellaneous Provisions - of the Code of Ordinances, establishing regulations for camping in city parks.
(Agenda Packet Page 3)
- B. Consider approval of Ordinance 28-017 establishing vendor fees for City sponsored special events, and to establish participant fees for City sponsored classes, camps, events and programs.
(Agenda Packet Page 7)
- C. Consider approval of Ordinance 28-018 denying a proposed increase sought by Atmos Energy-Midtex Division in connection with the rate increase filing it made on about June 1, 2018; approving an alternative increase in rates; directing Atmos to file conforming tariffs and to reimburse the City's rate case expenses.
(Agenda Packet Page 14)

- D. Consider approval of Ordinance 28-019 amending Article 5.000 of Appendix A – Fee Schedule, amending Article 5.500 of appendix A - Fee Schedule, and amending Article 6.000 of Appendix A – Fee Schedule, of the Code of Ordinances, to update and amend the fees for Permits and Administrative Service.
(Agenda Packet Page 41)
- E. Consider approval of Ordinance 28-020 amending Chapter 17 – Fire Protection, of the Code of Ordinances, and amending Appendix A – Fee Schedule, of the Code of Ordinances, to establish Fees for Review and Inspection Services.
(Agenda Packet Page 52)
- F. Consider approval of awarding the Construction Contract of Phase 2 of the San Antonio Sewer Rehabilitation Project to Vaught Services, LLC in the amount not to exceed \$791,812.
(Agenda Packet Page 55)
- G. Consider approval of awarding the Professional Services Agreement to Freese and Nichols, Inc. in connection with a Water Bond Project.
(Agenda Packet Page 73)

7. CITY MANAGER'S REPORT

- A. Annexation Update.
- B. Hotel/Conference Center.
- C. Community Visioning.
- D. Relief Route.

8. ITEMS FOR FUTURE AGENDA

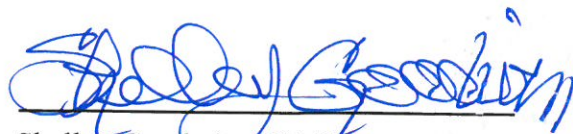
(Agenda Packet Page 102)

9. COUNCIL COMMENTS

No discussion or action may take.

10. ADJOURN

This is to certify that I, Shelley Goodwin, posted this Agenda at 4:00 p.m. on September 26, 2018 on the entrance doors and bulletin board at the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.



Shelley Goodwin, TRMC
City Secretary



CITY COUNCIL MEMO

DATE: October 1, 2018
TO: Mayor and City Council
FROM: Andrea Schmidt, Parks & Recreation Director
SUBJECT: Camping Ordinance

Summary:

The City does not have any restrictions on when or where someone may camp in a City Park. This ordinance will establish guidelines for camping in City Parks in designated areas unless they receive written permission from staff. Exceptions could be made for some events or programs but only after approval through the special event process such as allowing vendors to camp with their merchandise during the Swap Meet. Another example would be allowing a Boy Scout group to camp inside LBJ Park as a part of a supervised scouting event.

Recommendation:

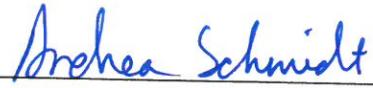
Approve Ordinance to restrict camping to designated areas in the City.

Background / Analysis:

Earlier this year we had one individual camp for several days at Cross Mountain Park and another individual camp one day at the new temporary soccer fields. Since we do not have an ordinance designating certain areas for camping, we could not ask them to leave.

Attachments:

Camping Ordinance



Department Approval



City Manager Approval



City Attorney Approval

ORDINANCE NO. 28-016

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING CHAPTER 20 - OFFENSES AND MISCELLANEOUS PROVISIONS - OF THE CODE OF ORDINANCES, ESTABLISHING REGULATIONS FOR CAMPING IN CITY PARKS, AND PROVIDING A PENALTY CLAUSE FOR VIOLATIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That Chapter 20 - OFFENSES AND MISCELLANEOUS PROVISIONS, of the Code of Ordinances, is hereby amended by addition of a Section 20-3 as follows:

Sec. 20-3. – Camping in City Parks.

- (a) It shall be unlawful for any person to camp upon any City park land.
- (b) This Section 20-3 shall not apply to:
 - (1) Camping in areas of City park land specifically set aside and clearly marked for public camping purposes; and
 - (2) Camping special events located on City park land when specifically authorized by the Director of Parks and Recreation.
- (c) For purposes of this Section 20-3, the term “camp” or “camping” shall be defined as:
 - (1) the parking and occupying of a recreational vehicle or camper to provide sleeping quarters for temporary human habitation; or
 - (2) the erection of a tent to provide sleeping quarters for temporary human habitation; or
 - (3) the use of other materials, including but not limited to, sleeping bags, bedrolls, blankets, sheets, tarps, and cardboard, to provide sleeping quarters for temporary human habitation.
- (d) For purposes of this Section 20-3, the term “City park land” shall be defined as:
 - (1) Cross Mountain Park;
 - (2) Elementary School Park;
 - (3) Ft. Martin Scott;
 - (4) Frantzen Park;
 - (5) Lady Bird Johnson Municipal Park;
 - (6) Marktplatz (Market Square);
 - (7) Oak Crest Park;
 - (8) Old Fair Park;

- (9) any City owned land specifically set aside and clearly marked for public use as a playground or organized sports field; and
 - (10) any streets, roadways or parking areas within the boundaries of the land areas set forth above in Sections 20-3(d)(1) through 20-3(d)(9).
- (e) Upon conviction of any violation of this Section 20-3, a person shall be subject to penalties as provided by Section 1-6 of this Code.

{End of code text}

Section 2. Severability or Invalidity. If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 3. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 4. Effective Date. This ordinance shall become effective ten (10) days after the date of passage.

PASSED AND APPROVED on this the ____ day of _____, 20____.

Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Goodwin, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney



CITY COUNCIL MEMO

DATE: September 19, 2018

TO: Mayor and City Council

FROM: Jennifer Krupa, Special Events Coordinator

SUBJECT: Ordinance to establish vendor and participant fees

Summary:

With the success of the New Year's Eve Midnight Ball Drop, City Hall Open House and Touch-A-Truck, and Evening Swim events, the Parks & Recreation Department intends to expand each event and include more activities and program offerings for our residents and tourists in the future. The ordinance presented for approval will allow the city to collect fees from vendors at City department sponsored special events and/or participants in a smaller program setting (i.e. Summer Pool Party or Pooch Pool Party). Vendors will be defined into categories such as food, craft, commercial, novelty, and civic/service organizations while participants will be able to take part in classes, camps, events and programs. Charging fees will help to create a sense of commitment and obligation to attend our events and programs as well as cover a small portion of overhead costs to produce them.

The fees are presented within a range from \$0-\$100 per booth, and \$0-\$50 per person, or per the duration of the class, camp, event or program. The actual fee for each event, camp, class or program will be established at the discretion of the Parks & Recreation Director or their designee using the approved fee range. Fees will be consistent and decided upon before the application/registration period opens for vendors and participants (i.e. the cost for a food vendor booth at the New Year's Eve event will be determined for all food vendors before the application period opens and all food vendors will pay the same fee, per booth).

Fees will vary with each event, camp, class or program depending on the history, size and scope. First time events, classes, camps, or programs will more than likely have a minimal fee or no fee to encourage participation and growth keeping in mind that all fees will fall within the adopted range.

Recommendation:

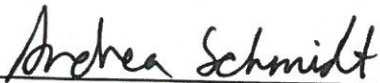
Recommend Council to approve and adopt the ordinance.

Background / Analysis:

The City does not currently charge a fee for City department sponsored event vendors or participants as an ordinance has not been established.

Attachments:

Proposed fees for vendors at City department sponsored special events & participant fees for classes, camps, events and programs; Ordinance



Department Approval



City Manager Approval



City Attorney Approval

Fredericksburg Parks & Recreation Department
Proposed fees for vendors at CITY DEPARTMENT sponsored special events &
participant fees for classes, camps, events, and programs

Examples of city department sponsored special events include: City Hall Open House & Touch-A-Truck and New Year's Eve. Examples of city department sponsored events and programs include: Evening Swim, End of the Summer Pool Party, and Pooch Pool Party.

<u>Type</u>	<u>Deposit Range</u>	<u>Fee Range</u>
• Food*	\$0-\$50.00	\$25.00-\$100.00
• Craft*	\$0-\$50.00	\$25.00-\$100.00
• Commercial*	\$0-\$50.00	\$25.00-\$100.00
• Novelty*	\$0-\$50.00	\$25.00-\$100.00
• Fredericksburg Civic/Service Org.*	\$0-\$50.00	\$0.00
• Supplemental Participant Fee**	\$0.00	\$0.00-\$50.00

*Food, craft, commercial, novelty and civic/service organization fees listed are per booth, per event. Deposits are refundable.

**Supplemental participant fees are listed per person, per the duration of the class, camp, event or program; definitions below.

Fees will be established by the Department of Parks & Recreation at the discretion of the Parks & Recreation Director or their designee. Fees will vary with each event, class, camp, or program depending on the history, size, and scope. First time events, classes, camps, or programs will more than likely have a minimal or no fee to encourage participation and growth.

Definitions:

Food vendor – a vendor selling, providing samples, or giveaways of food or beverages of any type.

Craft vendor - A craft vendor is a vendor that sells handmade items and artwork that have a unique design. Examples of acceptable crafts items include handmade woodwork, art, jewelry, quilts, floral design, etc.

Commercial vendor - A commercial vendor is a vendor that sells or resales commercial items, services, or kits. Examples of commercial items include: Scentsy, Tupperware, and Avon.

Novelty vendor - A novelty vendor is a vendor that sells children's products or services such as face painting, balloon art, sand art, glow products, or children's toys.

Fredericksburg Civic/Service Organization: A civic/service organization is a vendor that plans to participate in a special event as a method to market its organization and provide a free (no charge to participate) activity, game, or amusement for children (subject to approval). The vendor must be a non-profit organization and provide a copy of its status with this application.

Exceptions for the non-profit status will be made if evidence is provided that the organization has an ample history of charitable work in the Fredericksburg area.

Non-profit vendors may give away items or sell items if used as a fundraiser for the organization. If the fundraiser is selling food or beverages, paying food and event vendors will take priority in providing items for sale. A food vendor application is required for any non-profit wishing to sell food or beverages. Please ask the Special Events Coordinator for more information.

Supplemental Participant Fee - Each enrollee in a city class, camp, event, or other program of the city shall pay those fees established by the Department of Parks & Recreation at the discretion of the Parks & Recreation Director or their designee (for example, evening swim, end of summer pool party, dog swim, dive-in movies, entrance fees, etc.). The fee can be per person, per the duration of the class, camp, event, or program (i.e. per week, per session).

ORDINANCE NO. 28-017

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, ADOPTING SECTION 24.700 OF APPENDIX A – FEE SCHEDULE, OF THE CODE OF ORDINANCES, TO ESTABLISH FEES FOR VENDORS AT CITY SPONSORED SPECIAL EVENTS, AND TO ESTABLISH PARTICIPANT FEES FOR CITY SPONSORED RECREATIONAL CLASSES, CAMPS, EVENTS, AND PROGRAMS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That Appendix A -- “Fee Schedule”, of the Code of Ordinances, is amended by addition of a Section 24.700, set forth as follows:

Sec. 24.700. – Vendor fees and deposit fees for City sponsored special events; Participant fees for City sponsored recreational classes, camps, events, and programs.

(a) The fees and deposits charged to a person or entity providing vendor services for City sponsored special events are as follows:

<u>Vendor Type (defined below)</u>	<u>Deposit Range</u>	<u>Fee Range</u>
• Food	\$0-\$50.00	\$25.00-\$100.00
• Craft	\$0-\$50.00	\$25.00-\$100.00
• Commercial	\$0-\$50.00	\$25.00-\$100.00
• Novelty	\$0-\$50.00	\$25.00-\$100.00
• Fredericksburg Civic/Service Org.	\$0-\$50.00	\$0.00

Vendor fees and deposit amounts listed are per booth, per event. Fees and deposit amounts will be established by the Parks & Recreation Director, or his/her designee, prior to each event, depending on the history, size, and scope of said event.

(b) Participant fee for City sponsored recreational classes, camps, events, and programs – **Fee Range \$0.00-\$50.00** - Each participant in a City sponsored recreational class, camp, event, or other program shall pay the participant fee established by the Department of Parks & Recreation. Participant fee amounts will be established by the Parks & Recreation Director, or his/her designee, prior to each class, camp, event, or other program, depending on the history, size, and scope of said class, camp, event, or other program. The participant fee may established per person, per the duration of the class, camp, event, or program (e.g. per week, or per session).

(c) Definitions. As used in this Section 24.700, the following terms shall have the following meanings:

- (1) Food vendor – person or entity selling or otherwise providing samples or giveaways of food or beverages of any type.
- (2) Craft vendor - person or entity selling handmade items and artwork that have a unique design or require skilled work. Examples of craft items include handmade woodwork, art, jewelry, quilts, and floral design.
- (3) Commercial vendor - person or entity selling or reselling commercial items, services, or kits, typically under a corporate contract or trademark. Examples of commercial items include: Scentsy, Tupperware, and Avon.
- (4) Novelty vendor - person or entity selling children's products or performing children's services. Examples of children's products or services include: face painting, balloon art, sand art, glow products, and children's toys.
- (5) Fredericksburg Civic/Service Organization - person or entity that plans to participate in a special event as a method to market their organization and provides a free activity, game, or amusement for children (no charge to participants, subject to approval). The civic/service organization must be a non-profit organization and shall provide verification of non-profit status. Exceptions to the non-profit status verification requirement may be granted if evidence is provided demonstrating that the organization has an established history of charitable work in the Fredericksburg area.

{End of code text}

Section 2. Severability or Invalidity. If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 3. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 4. Effective Date. This ordinance shall be effective on and after the date of passage.

PASSED AND APPROVED on this the ____ day of October, 2018.

Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Goodwin, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney



CITY COUNCIL MEMO

DATE: September 20, 2018
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: Atmos Energy Gas Rates

Summary:

The cities that are part of the Atmos Texas Municipalities (ATM) have negotiated an Atmos rate increase that is much lower than the original request. Detailed information regarding this rate increase is included in the attached agenda information sheet.

Recommendation:

It is recommended that the new alternative Atmos rate increase be approved. The initial proposed increase would increase Atmos revenues by \$46 million. This alternative increase would result in increased revenues of \$12.81 million. The change in the average residential bill including the cost of gas will be .76% increase. The change in the average commercial bill including the cost of gas will be a .22% decrease.

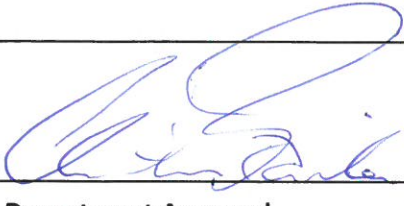
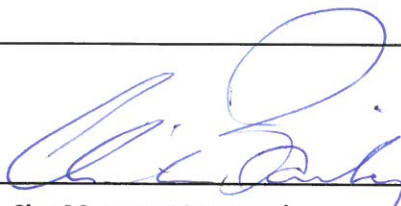
Background / Analysis:

See attached report.

Attachments:

Agenda Information Sheet

Ordinance Approving Rate Increase
Exhibits to Ordinance

 _____	 _____
Department Approval	City Manager Approval

AGENDA INFORMATION SHEET
ITEM NO. _____

**DENIAL OF ATMOS ENERGY'S PROPOSED INCREASE IN RATES
AND APPROVAL OF AN ALTERNATIVE INCREASE IN RATES**

BACKGROUND

On or about June 1, 2018, Atmos Energy Corporation ("Atmos" or "Company") filed a Statement of Intent with members of the coalition of cities known as the Atmos Texas Municipalities ("ATM") comprised of about 50 cities, of which the City is a member, to increase rates by approximately \$4.5 million, which equates to an increase of about 8% in annual non-gas-cost revenue in the ATM cities. On a system-wide basis, Atmos's proposed increase would be the equivalent of about \$46.0 million; this equates to an increase in annual revenue of about 7.3%.

The City, as part of the ATM coalition of cities, engaged the law firm of Herrera Law & Associates as Special Counsel to review Atmos' application. On behalf of ATM, Herrera Law & Associates engaged rate experts to assist in reviewing Atmos' application.

Special Counsel and the consulting firms of the Garrett Group, LLC; GDS and Associates, Inc.; and J. Randall Woolridge, Ph.D., recommend that the City deny Atmos' request to increase rates by \$46 million (system wide), and instead approve the rates shown in "**Exhibit A**" to this Agenda Information Sheet and a corresponding increase of about \$12.81 million, the details of which are presented in the schedules attached as "**Exhibit B**" to this Agenda Information Sheet.

Atmos proposed an effective date of July 6, 2018 for its change in rates. In prior action the City suspended Atmos's proposed effective date for the statutory time period of 90 days, to October 4, 2018.

The City must take final action on Atmos' proposed rates and must do so by no later than October 4, 2018.

CITY JURISDICTION TO SET ATMOS'S RATES

Unless a city ceded its original jurisdiction to the Railroad Commission of Texas, the Gas Utility Regulatory Act § 103.001 grants a city exclusive original jurisdiction over a gas utility's rates, services, and operations within the city limits. But even if a city has ceded its jurisdiction, to the Railroad Commission, the Gas Utility Regulatory Act § 103.023, grants a city the statutory right to participate in rate proceedings before the Railroad Commission.

ATMOS TEXAS MUNICIPALITIES

The Atmos Texas Municipalities (“ATM”) was organized by a number of municipalities, served by Atmos. Alfred R. Herrera with the law firm of Herrera Law & Associates, PLLC, has previously represented the City as part of ATM in rate cases involving Atmos. The ATM cities are:

Austin	Fredericksburg	Jacksboro	Ranger
Balch Springs	Gatesville	Kerens	Rice
Bandera	Glen Rose	Lampasas	Riesel
Bartlett	Goldthwaite	Lancaster	Rockdale
Belton	Granbury	Leander	Rogers
Blooming Grove	Greenville	Lometa	Round Rock
Burnet	Groesbeck	Longview	San Angelo
Cameron	Hamilton	Marble Falls	Sanger
Cedar Park	Heath	Mart	Somerville
Clifton	Henrietta	Mexia	Star Harbor
Commerce	Hickory Creek	Olney	Trinidad
Copperas Cove	Hico	Point	Whitney
Corsicana	Hillsboro	Pflugerville	
Electra	Hutto	Princeton	

OVERVIEW OF ATM’S SPECIAL COUNSEL RECOMMENDATION

ATM’s Special Counsel and rate experts, the Garrett Group, LLC and GDS Associates, Inc., and Dr. Woolridge (collectively referred to as “Special Counsel”), recommend that the ATM cities approve an increase in Atmos Energy’s annual revenue of about \$12.81 million (on a system-wide basis), which equates to an increase of about \$1.3 million for the ATM cities and represents an increase of about 2% in annual revenue.

Additionally, Special Counsel recommends that the ATM cities approve a surcharge to recover the ATM cities’ rate case expenses incurred through August 31, 2018, which total about \$116,000.00, as allowed under the Gas Utility Regulatory Act § 103.022. The tables below show the details of Special Counsel’s recommendations, including a comparison of Special Counsel’s recommendations to Atmos Energy’s proposed changes in revenue and rates.

Special Counsel further recommends that the rates approved by the City have an effective date Oct. 4, 2018, for service rendered on and after that date; that the City direct Atmos to file tariffs conformed to the rates shown in Attachment A; that in addition to rate case

expenses incurred through August 31, 2018, the City direct Atmos to reimburse the City's rate case expenses, as part of ATM, incurred after August 31, 2018.

COMPARISON OF CHANGE IN BILLS:

Class of Customer	ATMOS: Change in Average Bill (<i>excluding</i> cost of gas)	ATM: Change in Average Bill (<i>excluding</i> cost of gas)
Residential – Rate R	11.15% increase	1.47% increase
Commercial – Rate C	4.22% decrease	0.69% decrease
Industrial – Rate I	12.39% decrease	5.09% increase
Transportation – Rate T	12.39% decrease	5.09% increase

Class of Customer	ATMOS: Change in Average Bill (<i>including</i> cost of gas)	ATM: Change in Average Bill (<i>including</i> cost of gas)
Residential – Rate R	4.82% increase	0.76% increase
Commercial – Rate C	1.35% decrease	0.22% decrease
Industrial – Rate I	2.14% decrease	2.32% increase
Transportation – Rate T	2.33% decrease	2.32% increase

COMPARISON OF ATMOS' PROPOSED PERCENTAGE CHANGE IN REVENUE TO ATM'S PROPOSED CHANGE IN REVENUE:

Class of Customer	ATMOS: Change in Revenue (<i>excluding</i> cost of gas)	ATM: Change in Revenue (<i>excluding</i> cost of gas)
Residential – Rate R	11.18% increase	2.32% increase
Commercial – Rate C	0.14% decrease	1.06% increase
Industrial – Rate I	9.20% decrease	3.23% increase
Transportation – Rate T	9.20% decrease	3.23% increase

COMPARISON OF ATMOS' PROPOSED RATES TO ATM'S PROPOSED RATES:

Customer Class/Rate	Current	ATMOS: Proposed Rate	\$\$ and % Change	ATM: Proposed Rate	\$\$ and % Change
Rate R - Residential					
Customer Charge per month	\$18.35	\$20.21	\$1.86 / 10%	\$17.89	<\$0.46> / <2.52%>
Consumption Charge (per CCF)	\$ 0.13734	\$0.15701	\$0.01967 / 14.32%	\$0.16052	\$0.02318 / 16.88%

Rate C - Commercial					
Customer Charge per month	\$41.95	\$41.85	<\$4.10> / <0.24%	\$37.85	<\$4.10> / <9.78%
Consumption Charge (per CCF)	\$0.08746	\$0.07729	<\$0.01017> / <11.63%	\$0.10081	\$0.01335 / 15.26%
Rate I & T – Indus. & Transp.					
Customer Charge per month	\$752.00	\$752.00	<\$1.93> / <0.26%	\$619.85	<\$132.15> / <17.57%
Consumption Chrg - First 1,500 MMBTU	\$0.3172	\$0.2390	<\$0.7820> / <24.65%	\$0.3655	\$0.0483 / 15.21%
Consumption Chrg - Next 3,500 MMBTU	\$0.2322	\$0.1901	<\$0.0421> / <18.13%	\$0.2908	\$0.0586 / 25.23%
Consumption Chrg - Over 5,000 MMBTU	\$0.0498	\$0.0498	No change	\$0.0761	\$0.0263 / 52.90%

Atmos requested recovery of its rate case expenses. However, it did not provide the requisite information to support its request; thus the proposed resolution/ordinance does not address Atmos Energy's rate case expenses. As noted above, cities have a statutory right to recover their reasonable rate case expenses under Gas Utility Regulatory Act § 103.022. Below are shown the monthly surcharges to recover the ATM cities' rate-case expenses for an average customer:

Residential: \$0.01 per month (based on a surcharge of \$0.00030/ccf)
Commercial: \$0.03 per month (based on a surcharge of \$0.00011/ccf)
Industrial & Transportation: \$0.57 per month (based on a surcharge of \$0.0001/MMbtu)

Special Counsel has submitted its and the consultants' invoices to the the City of Longview for review. The City of Longview's City Attorney's Office has served in this review/coordinating role for over 10 years. Following that review, the invoices are forwarded to Atmos Energy for reimbursement and provided to all ATM cities for their review.

Finally, Special Counsel recommends that the City approve the following elements to determine Atmos Energy's cost of capital and to determine Atmos Energy's rates.

Cost of Capital		
	Atmos Requested	ATM City Approved
Return on Equity	10.50%	9.80%
Cost of Long-Term Debt	5.45%	5.45%
Cost of Short-Term Debt	1.68%	1.68%

Capital Structure Ratios		
	Atmos Requested	ATM City Approved
Equity	60.18%	53.81%
Long-Term Debt	39.82%	7.21%
Short-Term Debt	0.0%	38.98%

Weighted Average Cost of Capital (aka, Rate of Return)		
	Atmos Requested	ATM City Approved
Weighted Cost	8.3876%	7.5189%
Pre-Tax Weighted Cost	10.0674%	8.9207%

ACTION REQUIRED BY October 4, 2018

The City must take action on Atmos's Statement of Intent no later than October 4, 2018. Absent such action, Atmos's rates are deemed approved by operation of law.

RECOMMENDATION

ATM's Special Counsel and ATM's rate experts recommend that the City adopt the attached resolution or ordinance, as the case may be, which if approved will deny Atmos Energy's proposed increase about \$46 million and approve a lesser increase of about \$12.81 million; that the City approve the rates that correspond to such an increase, including approval of recovery of the ATM's rate case expenses.

The City must take action no later than October 4, 2018. If the City does not take action by October 4, 2018, Atmos's proposed rates will be deemed approved by operation of law, subject to the City's right to hold a hearing to address Atmos's rate application.

ORDINANCE NO. 28-018

ORDINANCE BY THE CITY OF FREDERICKSBURG, TEXAS (“CITY”) DENYING A PROPOSED INCREASE SOUGHT BY ATMOS ENERGY-MIDTEX DIVISION IN CONNECTION WITH THE RATE INCREASE FILING IT MADE ON ABOUT JUNE 1, 2018; APPROVING AN ALTERNATIVE INCREASE IN RATES; DIRECTING ATMOS TO FILE CONFORMING TARIFFS AND TO REIMBURSE THE CITY’S RATE CASE EXPENSES; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Atmos Energy (“Atmos Energy,” “Atmos,” or “Company”) filed a Statement of Intent with the City on or about June 1, 2018, to increase its annual revenue by approximately \$4.5 million in the cities known as Atmos Texas Municipalities (“ATM”), which equates to an increase in annual revenue of approximately 8.0 percent, and is the equivalent of an increase of about \$46.0 million on a system-wide basis; and

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under Chapter 104, §103.001 et seq. of GURA has exclusive original jurisdiction over Atmos’s rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating Atmos’s rate request and its changes in tariffs it is prudent to coordinate the City’s efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by Atmos to change rates, has in the past joined with other local regulatory authorities to form an alliance of cities known as Atmos Texas Municipalities (“ATM”), and hereby continues its participation in ATM; and

WHEREAS, Atmos's rate request consists of a voluminous amount of information including Atmos's rate-filing package, exhibits, schedules, and workpapers; and

WHEREAS, Atmos's rate application is the Company's first general rate case since about 2012, and follows annual increases approved under the now-expired tariff known as the "Rate Review Mechanism" ("RRM"); and

WHEREAS, Atmos proposed July 6, 2018, as the effective date for its requested increase in rates; and

WHEREAS, the City previously suspended Atmos' proposed effective from July 6, 2018, to October 4, 2018; and

WHEREAS, the City, exercising its duties as a local regulatory authority with regard to Atmos' rates, services, and operations, through ATM engaged the law firm of Herrera Law & Associates as Special Counsel and rate experts from the consulting firms of the Garrett Group, LLC, GDS and Associates, Inc., and J. Randall Woolridge, Ph.D, to review Atmos' rate filing package; and

WHEREAS, Atmos failed to establish the need for an increase of about \$46 million and the specific rates Atmos proposed; and

WHEREAS, merits at most an increase of about \$12.81 million, which is approximately an increase of \$1.25 million in the ATM cities, and the specific rates set forth in **Exhibit A** to this Ordinance, and made a part of this Ordinance as if fully set out in its body; and

WHEREAS, Atmos failed to establish the reasonableness of its proposed rate design; and

WHEREAS, a reasonable rate design is as set forth in **Exhibit A**;

WHEREAS, Atmos failed to establish the reasonableness of its proposed cost of capital, including Atmos' proposed capital structure; and

WHEREAS, a reasonable cost of capital and capital structure is as set forth in **Exhibit A** to this Ordinance; and

WHEREAS, pursuant to Gas Utility Regulatory Act § 103.022, cities have a statutory right to recover their reasonable rate case expenses.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS THAT:

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. Atmos failed to establish that its requested increase in revenue of about \$46 million, and its proposed changes in rates as set forth in its Statement of Intent submitted to the City on about June 1, 2018, result in just and reasonable rates, and are therefore, hereby **DENIED**.

Section 3. An increase of about \$12.81 million as shown in **Exhibit A**, and as detailed in **Exhibit B** to this Ordinance, each of which is hereby incorporated by reference, and the rates shown below, are hereby **APPROVED**, to wit:

Approved Increase in Annual Revenue (System Wide – MidTex Division)	
\$12,807,858	

Customer Class/Rate	APPROVED RATE
Rate R - Residential	
Customer Charge per month	\$17.89
Consumption Charge (per CCF)	\$0.16052
Rate C - Commercial	

Customer Charge per month	\$37.85
Consumption Charge (per CCF)	\$0.10081
Rate I & T – Indus. & Transp.	
Customer Charge per month	\$619.85
Consumption Chrg - First 1,500 MMBTU	\$0.3655
Consumption Chrg - Next 3,500 MMBTU	\$0.2908
Consumption Chrg - Over 5,000 MMBTU	\$0.0761

Section 4. A rate-case-expense surcharge (“RCE Surcharge”) as shown below to allow Atmos to recover the City’s rate case expenses is hereby **APPROVED**, said surcharge per class to be in effect for a period of five (5) years:

Rate Class	RCE Surcharge
Residential	\$0.00030 per ccf
Commercial	\$0.00011 per ccf
Industrial & Transportation	\$0.0001 per MMbtu

Section 5. Atmos is hereby ordered to submit to the City a report detailing the rate-case expenses recovered through the RCE Surcharges, said report to be filed by October 1 of each year until full recovery of the rate case expenses and in no event is Atmos permitted to recover in excess of the rate case expenses approved by this Ordinance.

Section 6. Atmos’ requested return on equity of 10.50% and its proposed capital structure of 60.18% equity and 39.82% long-term debt, are hereby **DENIED**.

Section 7. A return on equity of 9.80%; a cost of long-term debt of 5.45%; and a cost of short-term debt of 1.68%, are hereby **APPROVED**.

Section 8. A capital structure of 53.81% equity; 38.98% long-term debt; and 7.21% short-term debt, yielding a weighted cost of capital of 7.5189%, are hereby **APPROVED**.

Section 9. Atmos is hereby ordered to reimburse the City's rate case expenses incurred as a member of the Atmos Texas Municipalities ("ATM") through August 31, 2018, as set forth in **Exhibit B**, by no later than thirty (30) days from the effective date of this Ordinance.

Section 10. Atmos is hereby ordered to reimburse the City's rate case expenses incurred after August 31, 2018, for the City's reasonable costs associated with the City's continued activities related to this rate review or related to proceedings involving Atmos in proceedings before the City or any ATM city, the Railroad Commission of Texas, or any court of law, and that Atmos shall do so on a monthly basis and within 30 days after submission of the City's invoices to Atmos.

Section 11. Atmos is directed to submit to the City a set of tariffs modified to correspond to the rates approved by this Ordinance and that it do so by no later than fifteen (15) calendar days after the effective date of this Ordinance, said submittal to be accompanied by an affidavit from an officer of Atmos Energy attesting that the rates presented in the modified tariffs are in accordance with the rates approved by this Ordinance.

Section 12. The City shall continue its participation in a coalition of cities known as the Atmos Texas Municipalities ("ATM"), and authorizes intervention in proceedings related to Atmos' Statement of Intent before the Railroad Commission of Texas and related proceedings in courts of law that may have an impact on rates within the City; and

Section 13. Subject to the right to terminate employment at any time, the City continues its engagement of and authorizes the law firm of Herrera Law & Associates, PLLC to act as Special Counsel with regard to rate proceedings involving Atmos before the City, the Railroad Commission of Texas, or any court of law, and to retain such experts as may be reasonably necessary for review of Atmos's rate application in such proceedings and subject to approval by the steering committee of the ATM.

Section 14. Any relief not expressly granted or approved by this Ordinance is expressly denied.

Section 15. A copy of this Ordinance shall be sent to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 816 Congress Ave., Suite 950, Austin, Texas 78701, and a courtesy copy to Atmos's local representative.

Section 16. Atmos shall implement the rates approved by this Ordinance beginning October 4, 2018, for service rendered on and after that date.

Section 17. To the extent of an inconsistency between this Ordinance and a prior ordinance or resolution related to Atmos' rates, this Ordinance governs and supersedes all prior ordinances or resolutions related to Atmos' rates.

Section 18. The meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 19. This Ordinance shall become effective from and after its passage.

PASSED AND APPROVED this _____ day of _____, 2018.

Mayor

ATTEST:

City Secretary

EXHIBIT A

EXHIBIT A

Atmos Proposed Increase in Annual Revenue (System Wide – MidTex Division)	ATM City Approved Increase in Annual Revenue (System Wide – MidTex Division)
\$45,993,529	\$12,807,858

Customer Class/Rate	CURRENT	ATMOS: PROPOSED RATE	ATM CITY APPROVED RATE
Rate R - Residential			
Customer Charge per month	\$18.35	\$20.21	\$17.89
Consumption Charge (per CCF)	\$ 0.13734	\$0.15701	\$0.16052
Rate C - Commercial			
Customer Charge per month	\$41.95	\$41.85	\$37.85
Consumption Charge (per CCF)	\$0.08746	\$0.07729	\$0.10081
Rate I & T – Indus. & Transp.			
Customer Charge per month	\$752.00	\$752.00	\$619.85
Consumption Chrg - First 1,500 MMBTU	\$0.3172	\$0.2390	\$0.3655
Consumption Chrg - Next 3,500 MMBTU	\$0.2322	\$0.1901	\$0.2908
Consumption Chrg - Over 5,000 MMBTU	\$0.0498	\$0.0498	\$0.0761

Cost of Capital and Capital Structure			
	Atmos Requested	ATM City Approved	
Return on Equity	10.50%	9.80%	
Cost of Long-Term Debt	5.45%	5.45%	
Cost of Short-Term Debt	1.68%	1.68%	

Capital Structure Ratios		
	Atmos Requested	ATM City Approved
Equity	60.18%	53.81%
Long-Term Debt	39.82%	7.21%
Short-Term Debt	0.0%	38.98%

Weighted Average Cost of Capital (aka, Rate of Return)		
	Atmos Requested	ATM City Approved
Weighted Cost	8.3876%	7.5189%
Pre-Tax Weighted Cost	10.0674%	8.9207%

EXHIBIT B

REVENUE REQUIREMENT SCHEDULES

ATMOS ENERGY CORP., MID-TEX DIVISION
ATM COALITION REVENUE REQUIREMENT SUMMARY
TEST YEAR ENDING DECEMBER 31, 2017

Line No.	Description	Ref.	Atmos Proposed (Note a) Rate Base / ROR (c)	Operating Income (d)	ATM Adjustments (See Schedule B) (e)	ATM Proposed Operating Income (f)	Δ	COS
1	Test Year Revenue Requirement:							
2	Revenue at Present Rates	Schedule A	\$	1,494,918,603	\$	1,494,918,603	-	1,494,918,603
3								
4	GCR		\$	816,965,570		\$	816,965,570	816,965,570
5								
6	Operation and Maintenance Expenses	Schedule F-1	\$	188,642,689	\$	187,342,844	-	187,342,844
7								
8	Taxes Other than Income Tax - Non-Revenue Related	Schedule F-5		43,711,991		\$	43,711,991	43,711,991
9								
10	Revenue Related Taxes			96,255,692	(2,054,831)	\$	94,200,861	94,200,861
11								
12	Depreciation and Amortization Expense	Schedule F-3		144,321,772		\$	144,321,772	144,321,772
13								
14	Interest on Customer Deposits	Schedule F-7		117,764		\$	117,764	117,764
14a								
15	Rate Base	Schedule B	\$	2,573,504,828	(830,856)	2,572,673,972	-	2,572,673,972
16	Atmos Rate of Return	Schedule G	8.388%					
17	ATM Rate of Return							
18	Return Requirement			\$	(22,418,528)	\$	193,437,246	193,437,246
19							0.00%	7.52%
20	Income and Other Taxes	Schedule F-6		47,913,915	(7,396,426)	40,517,489	-	40,517,489
21								
22	Revenue Requirements	L. 3 - L. 20	\$	1,553,785,168	\$	1,520,615,538	-	1,520,615,537
25								
26	Base Revenue Deficiency (excluding revenue taxes)	L. 22 - L. 2	\$	58,866,565	\$	25,696,934	\$	25,696,934
27								
28	Amortization of Excess ADIT - with Revenue Taxes			12,873,035	16,041	12,889,076	-	12,889,076
29								
30	Proposed Cost of Service - Systemwide Adjusted for Excess ADIT		\$	45,993,529	(33,185,671)	\$	12,807,858	12,807,858

Exhibit MG-2 Summary

ATMOS ENERGY CORP., MID-TEX DIVISION
ATM RECOMMENDATION SUMMARY
TEST YEAR ENDING DECEMBER 31, 2017

Line No.	Description	Equity/ ROE	Reference	Rate Base	Pre-Tax ROR	Rate Change
	Requested Amounts			\$ 2,573,504,828	10.0674%	\$ 45,993,529
	Pension and OPEB Regulatory Asset		MG-2.4	\$ (20,861)	10.0674%	(2,100)
	Cash Working Capital		MG-2.1	\$ (66,472)	10.0674%	(6,692)
	Adjustment to ADIT - SEBP Adjustment		MG-2.4	(464,794)	10.0674%	(46,792)
	SEBP EDIT Liability Net Adjustment		MG-2.4	(278,730)	10.0674%	(28,061)
	Excess ADIT Liability, Net of ADIT				10.0674%	-
	NOL ADIT Regulatory Adjustment				10.0674%	-
	NOL EDIT Liability Net Adjustment				10.0674%	-
	Total Rate Base Adjustments			\$ (830,856)		\$ (83,645)
	Capital Structure and ROE	53.81% 9.80%	MG-2.10	\$ 2,572,673,972	-1.1467%	(29,499,831)
	Total Cost of Capital Adjustments					(29,499,831)
	Incentives - Restricted Stock Units		MG-2.2			(306,458)
	Incentives - Annual Incentive Plan		MG-2.3			(488,558)
	Non-Qualified Retirement Plans		MG-2.4			(37,089)
	Injuries and Damages		MG-2.5			(216,667)
	Bad Debt Expense		MG-2.1			(251,073)
	Taxes Other Than Income Tax		MG-2.1			(2,054,831)
	Gross Margin Tax		MG-2.1			(231,477)
	EDIT Amortization SEBP		MG-2.4			(15,047)
	EDIT Amortization @ 12-31-17					-
	EDIT Amortization NOL					-
	EDIT Amortization Flow Through		MG-2.1			(994)
	Total Revenue and Expense Adjustments					\$ (3,602,194)
	Total Revenue Requirement Adjustments					\$ (33,185,671)
	Rate Increase (Decrease)					\$ 12,807,858

Exhibit MG-2.10

ATMOS ENERGY CORP., MID-TEX DIVISION
COST OF CAPITAL
TEST YEAR ENDING DECEMBER 31, 2017

Atmos Cost of Capital (Schedule G)

Line No.		Capital Structure	Cost of Capital	Weighted Cost	Tax Gross Up	Pre-Tax Weighted Cost
1	Debt	39.82%	5.20%	2.0686%	1	2.0686%
2	Equity	60.18%	10.50%	6.3190%	1.2658228	7.9988%
3		100.00%		8.3876%		10.0674%

ATM Recommended Capital Structure

		Capital Structure	Cost of Capital	Weighted Cost	Tax Gross Up	Pre-Tax Weighted Cost
4	LT Debt	38.98%	5.45%	2.1244%	1	2.1244%
5	ST Debt	7.21%	1.68%	0.1211%	1	0.1211%
6	Equity	53.81%	9.80%	5.2734%	1.2658228	6.6752%
7		100.00%		7.5189%		8.9207%
8	Difference					-1.1467%

ATM Recommended ROE and Capital Structure

		Capital Structure	Cost of Capital	Weighted Cost	Tax Gross Up	Pre-Tax Weighted Cost
4	LT Debt	38.98%	5.45%	2.1244%	1	2.1244%
5	ST Debt	7.21%	1.68%	0.1211%	1	0.1211%
6	Equity	53.81%	9.80%	5.2734%	1.2658228	6.6752%
7		100.00%		7.5189%		8.9207%
8	Difference					0.0000%

COST ALLOCATION AND RATE DESIGN SCHEDULES

**ATMOS ENERGY CORP - MID-TEX DIVISION
COMPARISON OF BASE RATE CHARGES**

Line No.	Rate Description	Current Rate (b)		Atmos Proposed (See Note 1)			ATM Proposed (See Note 1)		
				Rate (c)	Incr./Decr. from Current - \$ (d)	Incr./Decr. from Current - % (e)	Rate (f)	Incr./Decr. from Current - \$ (g)	Incr./Decr. from Current - % (h)
1	Rate R - Residential								
2	Customer Charge (per Bill)	\$	18.35	\$	20.21	\$	1.86	\$	17.89
3	Consumption Charge (per Ccf)		0.13734		0.15701		0.01967		0.16052
4	Rate C - Commercial								
5	Customer Charge (per Bill)	\$	41.95	\$	41.85	\$	(0.10)	\$	37.85
6	Consumption Charge (per Ccf)		0.08746		0.07729		(0.01017)		0.10081
7	Rates I and T - Industrial & Transportation								
8	Meter Charge	\$	752.00	\$	750.07	\$	(1.93)	\$	619.85
9	Consumption Charge - 0 to 1,500 MMBtu		0.3172		0.2390		(0.0782)		(132.15)
10	Consumption Charge - Next 3,500 MMBtu		0.2322		0.1901		(0.0421)		0.3655
11	Consumption Charge - All Additional MMBtu		0.0498		0.0498		-		0.2908
									0.0761
									0.0263
									52.90%
									15.26%
									(4.10)
									0.01335
									15.26%
									(0.46)
									0.02318
									16.88%
									2.52%
									-9.78%
									-17.57%
									15.21%
									0.0483
									0.0586
									25.23%
									52.90%

Note 1: All proposed charges exclude gas costs, riders and Atmos' proposed Rate Case Expense Surcharge

ATMOS ENERGY CORP., MID-TEX DIVISION
ATM RECOMMENDED RATE CASE EXPENSE SURCHARGE

	Costs Incurred to Date
ATM Consulting	
Garrett Group	\$ 43,050
GDS Associates, Inc.	33,753
J. Randell Woodridge	2,600
Total ATM Consulting	79,403
ATM Legal	
Herrera Law & Associates, PLLC	36,654
Total ATM Legal	36,654
Total Rate Case Expenses to be Recovered	\$ 116,057
Recovery Period (Years)	5
Annual Recovery	\$ 23,211

Rate Class	ATM Base Rate Revenue Req.	ATM RCE Allocation	Volumetric Billing Determinants (1)	RCE Surcharge	Average Monthly Usage	Average Monthly Bill Impact
Residential	\$ 497,923,762	\$ 18,825	63,441,015	\$ 0.00030	34.60	\$ 0.01
Commercial	103,088,213	3,897	35,426,746	0.00011	273.30	\$ 0.03
Industrial and Transportation	12,932,750	489	3,554,341	0.0001	4,114.00	\$ 0.57
Total	\$ 613,944,726	\$ 23,211				

(1) Residential and Commercial volumetric billing determinants are Ccf, I&T determinants are MMBtu.

ATMOS ENERGY CORP - MID-TEX DIVISION
COMPARISON OF REVENUE DISTRIBUTION TO CUSTOMERS

Line No.	Rate Description	Current Revenue			Atmos Proposed			ATM Proposed		
		(a)	(b)	(c)	Revenue	Incr./Decr. from Current - \$	Incr./Decr. from Current - %	Revenue	Incr./Decr. from Current - \$	Incr./Decr. from Current - %
1	Rate R - Residential		\$ 447,851,269	\$ 497,926,227	\$	\$ 50,074,958	11.18%	\$ 458,255,829	\$ 10,404,560	2.32%
2	Rate C - Commercial		108,705,970	103,089,082		(5,616,888)	-5.17%	109,855,273	1,149,303	1.06%
3	Rates I and T - Industrial & Transportation		14,243,218	12,932,618		(1,310,600)	-9.20%	14,703,776	460,559	3.23%
4	Total		\$ 570,800,457	\$ 613,947,927	\$	\$ 43,147,470	7.56%	\$ 582,814,879	\$ 12,014,422	2.10%

**ATMOS ENERGY CORP - MID-TEX DIVISION
COMPARISON OF MONTHLY BASE RATE BILL IMPACTS**

Line No.	Rate Description & Usage Level (a)	Current Base Rate Bill Total (b)		Atmos Proposed (See Note 1)			ATM Proposed (See Note 1)		
		Rate	Bill Total (c)	Base Rate Bill Total (c)	Incr./Decr. from Current - \$ (d)	Incr./Decr. from Current - % (e)	Base Rate Bill Total (f)	Incr./Decr. from Current - \$ (g)	Incr./Decr. from Current - % (h)
1	Rate R - Residential								
2	0 Ccf	\$	18.35	20.21	\$	1.86	\$	17.89	\$ (0.46)
3	20 Ccf		21.10	23.35		2.25		21.10	0.00
4	50 Ccf		25.22	28.06		2.84		25.91	0.70
5	70 Ccf		27.96	31.20		3.24		29.12	1.16
6	100 Ccf		32.08	35.91		3.83		33.94	1.86
7	120 Ccf		34.83	39.05		4.22		37.15	2.32
8	160 Ccf		40.32	45.33		5.01		43.57	3.25
9	180 Ccf		43.07	48.47		5.40		46.78	3.71
10	200 Ccf		45.82	51.61		5.79		49.99	4.17
11	Rate C - Commercial								
12	0 Ccf	\$	41.95	41.85	\$	(0.10)	\$	37.85	\$ (4.10)
13	50 Ccf		46.32	45.71		(0.61)		42.89	(3.43)
14	100 Ccf		50.70	49.58		(1.12)		47.93	(2.77)
15	200 Ccf		59.44	57.31		(2.13)		58.01	(1.43)
16	300 Ccf		68.19	65.04		(3.15)		68.09	(0.10)
17	400 Ccf		76.93	72.77		(4.17)		78.17	1.24
18	500 Ccf		85.68	80.50		(5.19)		88.25	2.57
19	1,000 Ccf		129.41	119.14		(10.27)		138.65	9.24
20	1,500 Ccf		173.14	157.79		(15.36)		189.06	15.92
21	2,000 Ccf		216.87	196.43		(20.44)		239.46	22.59
22	2,500 Ccf		260.60	235.08		(25.53)		289.86	29.26

Note 1: All proposed charges exclude gas costs, riders and Atmos' proposed Rate Case Expense Surcharge

ATMOS ENERGY CORP - MID-TEX DIVISION
REVENUE REQUIREMENT ALLOCATION TO CUSTOMER CLASSES - AT CLASS COST OF SERVICE

Line No.	Revenue Requirement Component (a)	Total (b)	Residential (c)	Commercial (d)	I&T (e)
1	Operating and Maintenance Expenses	\$ 187,342,844	\$ 148,585,126	\$ 33,873,802	\$ 4,883,916
2	Depreciation Expense	144,321,772	113,626,539	27,120,191	3,575,042
3	Taxes Other than Income	43,711,991	34,337,668	8,259,964	1,114,360
4	Interest on Customer Deposits	117,764	83,481	34,283	-
5	Return on Investment	193,437,246	151,754,188	36,747,735	4,935,323
6	Income Taxes	40,517,490	31,786,530	7,697,204	1,033,756
7	Total Cost of Service	\$ 609,449,107	\$ 480,173,532	\$ 113,733,178	\$ 15,542,396
8	Revenue Credits	14,543,619	11,458,645	2,714,077	370,897
9	Amortization of ADFIT	(12,090,609)	(9,481,039)	(2,302,608)	(306,962)
10	Total Revenue Requirement	<u>\$ 582,814,879</u>	<u>\$ 459,233,848</u>	<u>\$ 108,716,493</u>	<u>\$ 14,864,538</u>

ATMOS ENERGY CORP - MID-TEX DIVISION
RATE BASE ALLOCATION TO CUSTOMER CLASSES

Line No.	Revenue Requirement Component (a)	Total (b)	Residential (c)	Commercial (d)	I&T (e)
1	Gross Plant	\$ 4,532,029,129	\$ 3,559,151,661	\$ 858,973,880	\$ 113,903,588
2	Accumulated Depreciation	1,323,023,298	1,042,759,772	247,831,547	32,431,979
3	Net Plant	3,209,005,831	2,516,391,889	611,142,333	81,471,609
4	Cash Working Capital	(26,580,445)	(21,081,449)	(4,806,059)	(692,936)
5	Materials and Supplies	1,053,524	835,570	190,490	27,465
6	Prepayments	17,841,836	14,150,695	3,226,015	465,126
7	Pension Expense Regulatory Asset	941,167	746,457	170,174	24,536
8	Customer Deposits	(12,941,103)	(9,173,792)	(3,767,311)	-
9	Injuries and Damages Reserve	(2,002,505)	(1,588,225)	(362,077)	(52,204)
10	ADFIT & Regulatory Liabilities	(603,948,499)	(473,595,620)	(115,019,577)	(15,333,302)
11	Rate Base Adjustments	(10,695,834)	(8,387,305)	(2,036,979)	(271,550)
12	Total Rate Base	\$ 2,572,673,971	\$ 2,018,298,220	\$ 488,737,009	\$ 65,638,742



CITY COUNCIL MEMO

DATE: September 25, 2018

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: : Ordinance updating Development Services Fees and establishing Fire Marshal Fees

Summary:

The staff provided the City Council with a comparison chart of various fees currently collected by the City of Fredericksburg and by other cities. This information was provided at the August 6, 2018 City Council Work Session. The proposed update includes certain building department fees, sign permit fees planning and development application fees and new fees for the Fire Marshal.

Recommendation:

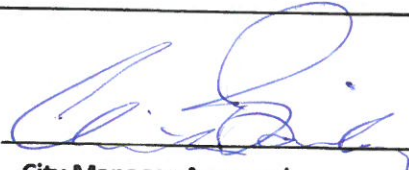
Approval of the updated Development Services Fee and Fire Marshal Fee Ordinance. We propose to implement the new fees effective November 1, 2018. Building staff will hold a meeting with local builders and contractors to advise them of the new fees prior to implementation.

Background / Analysis:

Building permit fees, sign permit fees and planning and development fees were last updated between 4 and 5 years ago. Fees for the Fire Marshal are new and have never been charged. The accompanying chart also shows a comparison between fees collected under the current rate and the projected fees under the new charge.

Attachments:

Development Services Fee Chart, Fire Department Fee Schedule, Ordinances

	
_____ Department Approval	_____ City Manager Approval
	
_____ City Attorney Approval	

RESIDENTIAL

NEW

REMODEL

FENCE PERMIT (1)

PLAN REVIEW FEE

SWIMMING POOL

MOVING PERMIT

DEMO PERMIT

INSPECTION FEE

TECHNOLOGY FEE

TRADE FEE

REINSPECTION FEE

CERTIFICATE OF OCCUPANCY

FIRE SUPPRESSION PERMIT

COMMERCIAL

NEW

REMODEL

PLAN REVIEW FEE

SITE WORK PERMIT

DEMO PERMIT

INSPECTION FEE

TECHNOLOGY FEE

TRADE FEE

REINSPECTION FEE

CERTIFICATE OF OCCUPANCY

PLUMBING PERMIT

SEWER LINE

WATER LINE

FIXTURE

GREASE TRAP

IRRIGATION

INSPECTION FEE

MECHANICAL PERMIT

INSPECTION

ELECTRICAL PERMIT

INSPECTION

CONTRACTOR REGISTRATION

FIRE SUPPRESSION PERMIT

Fire Marshall Plan Review

SIGN PERMIT 1 SIGN

SIGN PERMIT MULTIPLE TENANT

TEMPORARY SIGN/BANNER

COMMUNITY SERVICE BANNER (Profit)

COMMUNITY SERVICE BANNER (Non-Profit)

FREDERICKSBURG	Proposed	Current Fee	Proposed Fee
\$0.15 Per Sq. Ft.			
Fee Schedule			
\$5	\$25	\$500	\$2,500
X			
Fee Schedule			
\$50			
\$50			
X			
X	\$6	\$0	\$3,750
X			
\$25			
X	\$25	\$0	\$2,000
X			
FT THEN \$.10 FOR NEXT 2500			
Fee Schedule			
1/2 Bldg. Permit			
X			
\$50			
X			
X	\$6	\$0	\$3,750
X			
\$25			
X	\$25	\$0	\$1,250
\$15			
\$10			
\$10			
\$3.50			
X			
\$30.00			
X			
\$15 PLUS ITEMIZED			
X			
\$20 PLUS ITEMIZED			
X			
\$100/\$200	\$200/\$400	\$25,000	\$50,000
X			
X			
\$10 MIN. plus \$1 SQ FT	\$30, plus \$2/sq. ft	\$3,150	\$7,050
\$10 MINIMUM OR \$1 SQ FT	\$30, plus \$2/sq. ft	\$3,150	\$7,050
\$5	\$35	\$340	\$2,380
\$200	\$300	\$4,600	\$6,900
\$100	\$150	\$10,000	\$15,000

	FREDERICKSBURG	Proposed	Current Fee	Proposed Fee
SIGN PERMIT MASTER SIGN PLAN	X	x	x	x
PRELIMINARY PLAT	\$200, PLUS \$20/LOT	\$400, Plus \$20/lot	\$1,900	\$2,100
FINAL PLAT	\$500, PLUS \$10/LOT	\$500, plus \$10/lot	\$840	\$840
REPLAT	\$200, PLUS \$20/LOT	\$300, PLUS \$20/LOT	\$1,000	\$1,600
AMENDING PLAT OR MINOR PLAT	\$200	\$300	\$3,400	\$5,100
CONSTRUCTION PLANS	X			
SITE PLAN - P&Z	\$200	\$400	\$1,400	\$2,100
SITE PLAN - ADMIN	\$200	\$300	\$2,000	\$3,000
LAND USE PLAN CHANGE	\$200	\$300	\$400	\$600
ZONING CHANGE	\$200	\$400	\$400	\$800
ZONING VARIANCE	\$150	\$250	\$600	\$800
CONDITIONAL USE PERMIT	\$200	\$400	\$1,800	\$3,600
SUBDIVISION WAIVER/APEAL	\$100	\$250	\$0	\$0
WATERING WAIVER	X	\$100	\$0	\$13,000
Total			\$ 60,480.00	\$ 135,170.00

Fire Department Fee Schedule (proposed)

Type of Fee	Fee Amount	Number per year	Collected per year (estimated)
Permit Fees			
New Construction (commercial)	\$50.00	50	2500
Modified Construction (commercial)	\$50.00	10	500
Plan Review Fees	Fee		
New Construction (commercial)	\$50.00	50	2500
Modified Construction (commercial)	\$50.00	10	500
Automatic Extinguishing Systems Plan Review	\$50.00	10	500
Fire Detection System Plan Review	\$50.00	10	500
Commercial Kitchen Hood Plans Review	\$50.00	5	250
Site Plans	\$25.00	50	1250
Inspection Fees			
Hydro Visual Inspections	\$25.00 per building	10	250
Class 1 Hood Final Inspections	\$50.00	5	250
Fire Detection Final Inspection	\$25.00 per building	10	250
Fire Suppression Final Inspection	\$25.00 per building	10	250
Hotel/Motels Annual Inspection	\$50.00	10	500
Business Annual Inspection	No Fee Initial Inspection	200	
Carnivals & Fairs	\$50.00	5	250
	0		

1 st Re-inspection			
2 nd Re-Inspection	\$100.00	5	500
Subsequent Re-Inspections	\$150.00	2	300
Miscellaneous Fees			
Fireworks Displays (commercial)	250.00	0	0
Burn Permit	\$10.00	20	200
Totals		277	\$11,000

ORDINANCE NO. 28-019

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING ARTICLE 5.000 OF APPENDIX A – FEE SCHEDULE, AMENDING ARTICLE 5.500 OF APPENDIX A – FEE SCHEDULE, AND AMENDING ARTICLE 6.000 OF APPENDIX A – FEE SCHEDULE, OF THE CODE OF ORDINANCES, TO UPDATE AND AMEND THE FEES FOR PERMITS AND ADMINISTRATIVE SERVICES RENDERED BY THE CITY'S DEVELOPMENT SERVICES DEPARTMENT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That, Section 5.100, entitled “Fees for Building Permits”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 5.100 in its entirety, and the following substituted therefore:

Sec. 5.100. - Fees for Building Permits.

No building shall be in any manner constructed, altered, repaired, remodeled, or moved within the city limits unless a building permit is obtained. The following fees shall be paid for building permits prior to the issuance thereof:

- (a) Carport, storage sheds, accessory buildings, and detached garages: \$0.07 per square foot of floor space, with a minimum fee of \$25.00.
- (b) Residences and additions to residences: \$0.15 per square foot of floor space, with a minimum fee of \$25.00.
- (c) Commercial buildings: \$0.18 per square foot of floor space for the first 2,500 square feet, plus \$0.10 per square foot for the next 2,500 square feet, plus \$0.07 per square foot for the amount of floor space in excess of 5,000 square feet, with a minimum fee of \$50.00.
- (d) Industrial buildings: \$0.15 per square foot of floor space for the first 2,500 square feet, plus \$0.05 per square foot for the next 2,500 square feet, plus \$0.03 per square foot for the amount of floor space in excess of 5,000 square feet, with a minimum fee of \$100.00.
- (e) Moving of buildings or structures: \$50.00.
- (f) Erection of fences: \$25.00.
- (g) Demolition of buildings: \$50.00. Demolition of accessory buildings: \$25.00.
- (h) Alterations or repairs without addition of floor space: In the event that alterations or repairs are made a building without the addition of any additional floor space, the fees provided in Appendix "K" of the Standard Building Code shall be required.
- (i) Signs: \$30.00, plus \$2.00 per square foot of sign area.
- (j) Temporary signs:
 - (1) Banners or Temporary Signs: \$35.00.
 - (2) Over-street or other Banners to be erected by the City:
 - Signs for Civic Use (generally non-profit organizations): \$150.00;
 - Other (generally for-profit organizations): \$300.00.

No additional permit fee is required.

(k) Technology Fee (Residential and Commercial): \$6.00

(l) Certificate of Occupancy (Residential and Commercial): \$25.00

The building inspector shall determine, for each application for building permit received, which of the above rates will apply.

(m) Mechanical Permit Fees.

Permit fee, \$15.00 plus the following, as applicable:	
New or Replacement Air Conditioning Units:	\$15.00 each
Air Handling Units:	\$15.00 each
Floor Handling Units/Wall Heaters:	\$15.00 each
Commercial Exhaust Hoods:	\$15.00 each
Refrigeration Units:	\$15.00 each
Boilers:	\$15.00 each
Duct Outlets	\$1.00 each

Ventilation Fan:	\$5.00 each
Work started without permit double permit price	
Re-inspection Fee:	\$20.00 each

(n) Fee for Design Standards or Design Guidelines review:

Per application	\$100.00
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{End of code text}

Section 2. That, Section 5.502, entitled “Filing Fees for Plats and other recordings”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 5.502 in its entirety, and the following substituted therefore:

Sec. 5.502. - Filing Fees for Plats and other recordings.

- (a) Preliminary plats of subdivisions and resubdivisions shall be accompanied by a filing fee of \$400.00, plus \$20.00 per lot.
- (b) Final plats of subdivisions and resubdivisions shall be accompanied by a filing fee of \$500.00, plus \$10.00 per lot.
- (c) Plat vacations shall be accompanied by a filing fee of \$100.00 per
- (d) There shall be required for minor plat changes or corrections a fee of \$200.00. plat.
- (e) Replat: \$300.00, plus \$20.00 per lot.
- (f) Minor Plat or amendment to Minor Plat: \$300.00.
- (g) Application for variance to Subdivision Ordinance to be paid at the time of original plat application: \$100.00.
- (h) In addition to the filing fee for the application for subdivision approval, replats or any other documents which are to be recorded in the plat or deed records of Gillespie County, the applicant shall also pay to the city the amount of the recording fee for necessary recording as is then being charged by

the clerk of Gillespie County for the recording prior to the filing of any of such plats or other documents. No plat or other document will be filed without the payment of the recording fee.

{End of code text}

Section 3. That, Section 5.503, entitled “Filing Fee for Zoning application”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 5.503 in its entirety, and the following substituted therefore:

Sec. 5.503. - Filing fee for Zoning application.

- (a) Rezoning application initiated by the property owner, or other person seeking a zoning change: \$400.00.
- (b) Land Use Plan change application initiated by the property owner, or other person seeking a Land Use Plan change: \$300.00.
- (c) Rezoning application initiated by the City Staff, Planning and Zoning Commission or the City Council: no fee.
- (d) Zoning Board of Adjustment Variance request: \$250.00.
- (e) Conditional use permit fee: \$400.00.
- (f) Site Plan Approval fee: Administrative approval \$300.00; Planning and Zoning Commission approval \$400.00.

{End of code text}

Section 4. That, Section 6.000, entitled “FEE FOR GENERAL CONTRACTOR LICENSE AND BOND”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 6.000 in its entirety, and the following substituted therefore:

ARTICLE 6.000. - FEE FOR GENERAL CONTRACTOR LICENSE AND BOND

The annual license fee shall be \$400.00 for the initial license and \$200.00 for renewal on January 1 of each succeeding year.

{End of code text}

Section 5. Severability or Invalidity. If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 6. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 7. Effective Date. This Ordinance shall be effective on and after the 1st day of November, 2018.

PASSED AND APPROVED on this the ____ day of October, 2018.

Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Goodwin, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney

ORDINANCE NO. 28-020

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING CHAPTER 17 – FIRE PROTECTION, OF THE CODE OF ORDINANCES, AND AMENDING APPENDIX A – FEE SCHEDULE, OF THE CODE OF ORDINANCES, TO ESTABLISH FEES FOR REVIEW AND INSPECTION SERVICES RENDERED BY THE CITY'S FIRE MARSHAL.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That, Article III, entitled “Fire Marshal”, of Chapter 17 “Fire Protection”, of the Code of Ordinances, is amended by the addition of Section 17-44 as follows:

Sec. 17-44. – Fire Marshal Fees and Charges.

Fees shall be paid for permit review, plan review, inspections, and other miscellaneous fire protection services rendered by the City's Fire Marshal, as set forth in the fee schedule found in appendix A to this Code.

{End of code text}

Section 2. That Appendix A - “Fee Schedule”, of the Code of Ordinances, is amended by the addition of Section 28.000 as follows:

Sec. 28.000. – Fees and Charges for Fire Marshal Services.

The fees and charges to the person or entity utilizing or receiving services rendered by the City's Fire Marshal are as follows:

Type of Fee	Fee Amount
Permit Fees	
New Construction (commercial)	\$50.00
Modified Construction (commercial)	\$50.00
Plan Review Fees	
New Construction (commercial)	\$50.00
Modified Construction (commercial)	\$50.00
Automatic Extinguishing Systems Plan Review	\$50.00
Fire Detection System Plan Review	\$50.00
Commercial Kitchen Hood Plans Review	\$50.00
Site Plans	\$25.00

Inspection Fees	
Hydro Visual Inspections	\$25.00 per building
Class 1 Hood Final Inspections	\$50.00
Fire Detection Final Inspection	\$25.00 per building
Fire Suppression Final Inspection	\$25.00 per building
Hotel/Motels Annual Inspection	\$50.00
Business Annual Inspection	No Fee Initial Inspection
Carnivals & Fairs	\$50.00
1 st Re-inspection	\$0.00
2 nd Re-Inspection	\$100.00
Subsequent Re-Inspections	\$150.00
Miscellaneous Fees	
Fireworks Displays (commercial)	\$250.00
Burn Permit	\$10.00

{End of code text}

Section 3. Severability or Invalidity. If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 4. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Effective Date. This Ordinance shall be effective on and after the 1st day of November, 2018.

PASSED AND APPROVED on this the ____ day of October, 2018.

Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Goodwin, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney



CITY COUNCIL MEMO

DATE: October 1, 2018

TO: Mayor and City Council

FROM: Kris Kneese, P.E. – Assistant Director of Public Works and Utilities

SUBJECT: Phase 2 of the San Antonio Street Sanitary Sewer Rehabilitation Project - Construction Contract Award

Summary:

Receive construction contract pricing for Phase 2 of the San Antonio Street Sanitary Sewer Rehabilitation Project.

Recommendation:

City staff recommends awarding Phase 2 of the San Antonio Street Sanitary Sewer Rehabilitation construction contract to Vaught Services, LLC in the amount not to exceed \$791,812.00.

Background / Analysis:

As part of the Wastewater Master Plan completed by Freese and Nichols in 2017, the San Antonio Street Sanitary Sewer Line Rehabilitation Project was identified as one of the highest ranking wastewater projects with a cost estimate of \$2,898,200. The project is a long standing Capital Improvements Plan project that includes the replacement and expansion of sanitary sewer collection pipe along San Antonio Street from Main Street to Lincoln Street.

The San Antonio Street sanitary sewer line collects a large percentage of the sanitary sewer from the northwest portion of Fredericksburg. The sewer line consists of 12, 10 and 8 inch diameter pipes. Much of the sewer line is vitrified clay pipe which is brittle and cracking. Additionally, the sanitary sewer line is

flowing near conveyance capacities and needs to be upsized. With the condition of the pipe and the need to upsize the line, a pipe bursting construction method was evaluated for the project. See attached map for the location of the project, including Phase 1 and Phase 2.

As Council may recall, Council awarded the construction contract for Phase 1 of the project to Vortex Companies in April 2018. The construction of Phase 1 is ongoing and will be completed soon. As mentioned to Council during the presentation in April, awarding Phase 2 of the project before the contractor demobilizes will save the City mobilization cost for Phase 2.

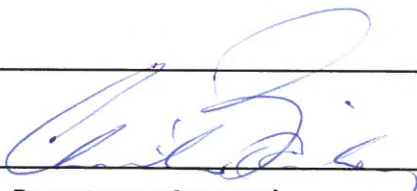
Similar to Phase 1, City staff worked with Vaught Services, a subsidiary company of Vortex Companies, to develop a construction cost estimate and contract for the Phase 2 of the project.

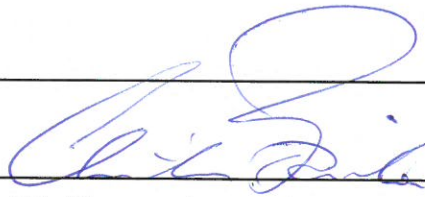
For FY 2019, City Council budgeted \$800,000 in the Water Department budget for Phase 2 of the San Antonio Street Sanitary Sewer Line Rehabilitation Project. As mentioned above, Phase 2 will complete the project that was identified in the 2016 Wastewater Master Plan.

City Staff is recommending award of the Phase 2 – San Antonio Street Sanitary Sewer Line Rehabilitation Project construction contract to Vaught Services, LLC. in the amount not to exceed \$791,812.00. The construction contract is being executed through The Interlocal Purchasing System (TIPS), which is similar to Buy Board and meets State purchasing regulation.

Attachments:

- TIPS Purchasing Contract
- Phase 2 - Contractor Pricing Worksheet
- Project Map



Department Approval

City Manager Approval

City Attorney Approval

TIPS VENDOR AGREEMENT

Between Vortex Companies, LLC and
(Company Name)

THE INTERLOCAL PURCHASING SYSTEM (TIPS) For RFP 171105 Pipe Bursting

General Information

The Vendor Agreement ("Agreement") made and entered into by and between The Interlocal Purchasing System (hereinafter referred to as "TIPS" respectfully) a government cooperative purchasing program authorized by the Region 8 Education Service Center, having its principal place of business at 4845 US Hwy 271 North, Pittsburg, Texas 75686. This Agreement consists of the provisions set forth below, including provisions of all Attachments referenced herein. In the event of a conflict between the provisions set forth below and those contained in any Attachment, the provisions set forth shall control.

The vendor Agreement shall include and incorporate by reference this Agreement, the terms and conditions, special terms and conditions, any agreed upon amendments, as well as all of the sections of the solicitation as posted, including any addenda and the awarded vendor's proposal. Once signed, if an awarded vendor's proposal varies or is unclear in any way from the TIPS Agreement, TIPS, at its sole discretion, will decide which provision will prevail. Other documents to be included are the awarded vendor's proposals, task orders, purchase orders and any adjustments which have been issued. If deviations are submitted to TIPS by the proposing vendor as provided by and within the solicitation process, this Agreement may be amended to incorporate any agreed deviations.

The following pages will constitute the Agreement between the successful vendors(s) and TIPS. Bidders shall state, in a separate writing, and include with their proposal response, any required exceptions or deviations from these terms, conditions, and specifications. If agreed to by TIPS, they will be incorporated into the final Agreement.

A Purchase Order, Agreement or Contract is the TIPS Member's approval providing the authority to proceed with the negotiated delivery order under the Agreement. Special terms and conditions as agreed to between the vendor and TIPS Member should be added as addendums to the Purchase Order, Agreement or Contract. Items such as certificate of insurance, bonding requirements, small or disadvantaged business goals are some of the addendums possible.

Terms and Conditions

Freight

All quotes to members shall provide a line item for cost for freight or shipping regardless if there is a charge or not. If no charge for freight or shipping, indicate by stating "No Charge" or "\$0" or other similar indication. Otherwise, all shipping, freight or delivery charges shall be passed through to the TIPS Member at cost with no markup and said charges shall be agreed by the TIPS Member.

Warranty Conditions

All new supplies equipment and services shall include manufacturer's minimum standard warranty unless otherwise agreed to in writing. Vendor shall be legally permitted to sell, or an authorized dealer, distributor or manufacturer for all products offered for sale to TIPS Members. All equipment proposed shall be new unless clearly stated in writing.

Customer Support

The Vendor shall provide timely and accurate customer support to TIPS Members. Vendors shall respond to such requests within one (1) working day after receipt of the request. Vendor shall provide training regarding products and services supplied by the Vendor unless otherwise clearly stated in writing at the time of purchase. (Unless training is a line item sold or packaged and must be purchased with product.)

Agreements

All Agreements and agreements between Vendors and TIPS Members shall strictly adhere to the statutes that are set forth in the Uniform Commercial Code as most recently revised.

Agreements for purchase will normally be put into effect by means of a purchase order(s) executed by authorized agents of the participating government entities.

Davis Bacon Act requirements will be met when Federal Funds are used for construction and/or repair of buildings.

Tax exempt status

A taxable item sold, leased, rented to, stored, used, or consumed by any of the following governmental entities is exempted from the taxes imposed by this chapter: (1) the United States; (2) an unincorporated instrumentality of the United States; (3) a corporation that is an agency or instrumentality of the United States and is wholly owned by the United States or by another corporation wholly owned by the United States; (4) the State of Texas; (5) a Texas county, city, special district, or other political subdivision; or (6) a state, or a governmental unit of a state that borders Texas, but only to the extent that the other state or governmental unit exempts or does not impose a tax on similar sales of items to this state or a political subdivision of this state. Texas Tax Code § 151.309. Most TIPS Members are tax exempt and the related laws of the jurisdiction of the TIPS Member shall apply.

Page 2 of 12

Assignments of Agreements

No assignment of Agreement may be made without the prior written approval of TIPS.

Payment can only be made to the awarded Vendor or vendor assigned company.

Disclosures

1. Vendor affirms that he/she has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with this Agreement.
2. Vendor shall attach, in writing, a complete description of any and all relationships that might be considered a conflict of interest in doing business with Members in the TIPS program.
3. The vendor affirms that, to the best of his/her knowledge, the offer has been arrived at independently, and is submitted without collusion with anyone to obtain information or gain any favoritism that would in any way limit competition or give an unfair advantage over other vendors in the award of this Agreement.

Renewal of Agreements

The Agreement with TIPS is for one (3) year with an option for renewal for additional one (1) consecutive year. Total term of Agreement can be up to the number of years provided in the solicitation, if sales are reported through the Agreement and both parties agree.

Automatic Renewal Clauses Incorporated in Awarded Vendor Agreements with TIPS Members Resulting from the Solicitation and with the Vendor Named in this Agreement.

No Agreement for goods or services with a TIPS Member by the awarded vendor named in this Agreement that results from the solicitation award named in this Agreement, may incorporate an automatic renewal clause with which the TIPS Member must comply. All renewal terms incorporated in an Agreement by the vendor with the TIPS Member shall only be valid and enforceable when the vendor receives written confirmation by purchase order or executed Agreement issued by the TIPS Member for any renewal period. The purpose of this clause is to avoid a TIPS Member inadvertently renewing an Agreement during a period in which the governing body of the TIPS Member has not properly appropriated and budgeted the funds to satisfy the Agreement renewal. This term is not negotiable and any Agreement between a TIPS Member and a TIPS awarded vendor with an automatic renewal clause that conflicts with these terms is rendered void and unenforceable.

Shipments

The Vendor shall ship ordered products within a commercially reasonable time after the receipt of the order. If a product cannot be shipped within that time, the Vendor shall notify TIPS and the requesting entity as to why the product has not shipped and shall provide an estimated

shipping date, if applicable. TIPS or the requesting entity may cancel the order if estimated shipping time is not acceptable.

Invoices

The awarded vendor shall submit invoices or payment requests to the TIPS Member participating entity clearly stating "Per TIPS Agreement # xxxxxxxx. Each invoice or pay request shall include the TIPS Member's purchase order number or other identifying designation as provided in the order by the TIPS Member. If applicable, the shipment tracking number or pertinent information for verification of TIPS Member receipt shall be made available upon request. The Vendor or vendor assigned dealer shall not invoice for partial shipments unless agreed to in writing in advance by TIPS and the TIPS Member.

Payments

The TIPS Member will make payments directly to the Vendor or vendor assigned dealer at net 30 days after receiving invoice or in compliance with applicable statute, whichever is the lessor time or as otherwise provided by an agreement of the parties.

Pricing

The Vendor agrees to provide pricing to TIPS and its participating governmental entities that is at least equal to the lowest pricing available to like cooperative purchasing customers and the pricing shall remain so throughout the duration of the Agreement.

Price increases will be honored according to the terms of the solicitation. However, the Vendor shall honor previous prices for thirty (30) days after written notification to TIPS of an increase.

All pricing submitted to TIPS shall include the participation fee, as provided in the solicitation, to be remitted to TIPS by the Vendor. Vendor will not show adding the fee to the invoice presented to customer. Failure to render the participation fee to TIPS shall constitute a breach of this agreement and shall be grounds for termination of this agreement and any other agreement held with TIPS.

Participation Fees

Vendor or vendor assigned dealer Agreements to pay the participation fee for all Agreement sales to TIPS on a monthly scheduled report. Vendor must login to the TIPS database and use the "Submission Report" section to report sales. The Vendor or vendor assigned dealers are responsible for keeping record of all sales that go through the TIPS Agreement. Failure to pay the participation fee will result in termination of Agreement. Please contact TIPS at tips@tips-usa.com or call (866) 839-8477 if you have questions about paying fees.

Indemnity

The Vendor agrees to indemnify and hold harmless and defend TIPS, TIPS Member(s), officers and employees from and against all claims and suits by third parties for damages, injuries to persons (including death), property damages, losses, and expenses including court costs and reasonable attorney's fees, arising out of, or resulting from, Vendor's work under this Agreement, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part, upon allegations of negligent or intentional acts on the part of the Vendor, its officers, employees, agents, subcontractors, licensees, or invitees. Vendor further agrees to indemnify and hold harmless and defend TIPS, TIPS Member(s), officers and employees, from and against all claims and suits by third parties for injuries (including death) to an officer, employee, agent, subcontractors, supplier or equipment lessee of the Vendor, arising out of, or resulting from, Vendor's work under this Agreement whether or not such claims are based in part upon the negligent acts or omissions of the TIPS, TIPS Member(s), officers, employees, or agents.

Multiple Vendor Awards

TIPS reserves the right to award multiple vendor Agreements for categories when deemed in the best interest of the TIPS Membership. Bidders scoring the solicitation's specified minimum score or above will be considered for an award. Categories are established at the discretion of TIPS.

State of Texas Franchise Tax

By signature hereon, the bidder hereby certifies that he/she is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171, Tax Code.

Miscellaneous

The Vendor acknowledges and agrees that continued participation in TIPS is subject to TIPS sole discretion and that any Vendor may be removed from the participation in the Program at any time with or without cause. Nothing in the Agreement or in any other communication between TIPS and the Vendor may be construed as a guarantee that TIPS Members will submit any orders at any time. TIPS reserves the right to request additional proposals for items or services already on Agreement at any time.

Purchase Order Pricing/Product Deviation

If a deviation of pricing/product on a purchase order or contract modification occurs, TIPS is to be notified within 48 hours of receipt of order.

Termination for Convenience

TIPS reserves the right to terminate this agreement for cause or no cause for convenience with a thirty-day written notice. Termination for convenience is required under Federal Regulations

2 CFR part 200. All purchase orders presented to the Vendor by a TIPS Member prior to the actual termination of this agreement shall be honored at the option of the TIPS Member. The awarded vendor may terminate the agreement with ninety (90) days written notice to TIPS 4845 US Hwy North, Pittsburg, Texas 75686.

TIPS Member Purchasing Procedures

Purchase orders or their equal are issued by participating TIPS Member to the awarded vendor indicating on the PO "Agreement Number". Order is emailed to TIPS at tipspo@tips-usa.com.

- Awarded vendor delivers goods/services directly to the participating member.
- Awarded vendor invoices the participating TIPS Member directly.
- Awarded vendor receives payment directly from the participating member.
- Awarded vendor reports sales monthly to TIPS (unless prior arrangements have been made with TIPS to report monthly).

Form of Agreement

If a vendor submitting an Proposal requires TIPS and/or TIPS Member to sign an additional agreement, a copy of the proposed agreement must be included with the proposal.

In response to submitted supplemental Vendor Agreement documents, TIPS will review proposed vendor Agreement documents. Vendor's Agreement document shall not become part of TIPS's Agreement with vendor unless and until an authorized representative of TIPS reviews and approves it.

Licenses

Awarded vendor shall maintain in current status all federal, state and local licenses, bonds and permits required for the operation of the business conducted by awarded vendor. Awarded vendor shall remain fully informed of and in compliance with all ordinances and regulations pertaining to the lawful provision of services under the Agreement. TIPS reserves the right to stop work and/or cancel Agreement of any awarded vendor whose license(s) expire, lapse, are suspended or terminated.

Novation

If awarded vendor sells or transfers all assets or the entire portion of the assets used to perform this Agreement, a successor in interest must guarantee to perform all obligations under this Agreement. TIPS reserves the right to accept or reject any new party. A simple change of name agreement will not change the Agreement obligations of awarded vendor.

Site Requirements (when applicable to service or job)

Cleanup: Awarded vendor shall clean up and remove all debris and rubbish resulting from their work as required or directed by TIPS Member. Upon completion of work, the premises shall be left in good repair and an orderly, neat, clean and unobstructed condition.

Preparation: Awarded vendor shall not begin a project for which TIPS Member has not prepared the site, unless awarded vendor does the preparation work at no cost, or until TIPS Member includes the cost of site preparation in a purchase order.

Site preparation includes, but is not limited to: moving furniture, installing wiring for networks or power, and similar pre-installation requirements.

Registered sex offender restrictions: For work to be performed at schools, awarded vendor agrees that no employee of a sub-contractor who has been adjudicated to be a registered sex offender will perform work at any time when students are, or reasonably expected to be, present. Awarded vendor agrees that a violation of this condition shall be considered a material breach and may result in the cancellation of the purchase order at the TIPS Member's discretion.

Awarded vendor must identify any additional costs associated with compliance of this term. If no costs are specified, compliance with this term will be provided at no additional charge.

Safety measures: Awarded vendor shall take all reasonable precautions for the safety of employees on the worksite, and shall erect and properly maintain all necessary safeguards for protection of workers and the public. Awarded vendor shall post warning signs against all hazards created by the operation and work in progress. Proper precautions shall be taken pursuant to state law and standard practices to protect workers, general public and existing structures from injury or damage.

Smoking

Persons working under Agreement shall adhere to local smoking policies. Smoking will only be permitted in posted areas or off premises.

Marketing

Awarded vendor agrees to allow TIPS to use their name and logo within website, marketing materials and advertisement. Any use of TIPS name and logo or any form of publicity, inclusive of press release, regarding this Agreement by awarded vendor must have prior approval from TIPS.

Supplemental agreements

The TIPS Member entity participating in the TIPS Agreement and awarded vendor may enter into a separate supplemental agreement or contract to further define the level of service requirements over and above the minimum defined in this Agreement i.e. invoice requirements, ordering requirements, specialized delivery, etc. Any supplemental agreement or contract developed as a result of this Agreement is exclusively between the participating entity and awarded vendor. TIPS, its agents, TIPS Members and employees shall not be made party to any claim for breach of such agreement.

Survival Clause

All applicable software license agreements, warranties or service agreements that were entered into between Vendor and Customer under the terms and conditions of the Agreement shall survive the expiration or termination of the Agreement. All Orders, Purchase Orders issued or contracts executed by TIPS or a TIPS Member and accepted by the Vendor prior to the expiration or termination of this agreement, shall survive expiration or termination of the Agreement, subject to previously agreed terms and conditions agreed by the parties or as otherwise specified herein relating to termination of this agreement.

Legal obligations

It is the responding vendor's responsibility to be aware of and comply with all local, state and federal laws governing the sale of products/services identified in this Solicitation and any awarded Agreement thereof. Applicable laws and regulations must be followed even if not specifically identified herein.

Audit rights

Due to transparency statutes and public accountability requirements of TIPS and TIPS Members', the awarded Vendor shall, at their sole expense, maintain appropriate due diligence of all purchases made by TIPS Member that utilizes this Agreement. TIPS and Region 8 ESC each reserve the right to audit the accounting for a period of three (3) years from the time such purchases are made. This audit right shall survive termination of this Agreement for a period of one (1) year from the effective date of termination. In order to ensure and confirm compliance with this agreement, TIPS shall have authority to conduct random audits of Awarded Vendor's pricing that is offered to TIPS Members. Notwithstanding the foregoing, in the event that TIPS is made aware of any pricing being offered to eligible entities that is materially inconsistent with the pricing under this agreement, TIPS shall have the ability to conduct the audit internally or may engage a third-party auditing firm to investigate any possible non-complying conduct. In the event of an audit, the requested materials shall be reasonably provided in the format and at the location designated by Region 8 ESC or TIPS.

Force Majeure

If by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement then such party shall give notice and fully particulars of Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

Scope of Services

The specific scope of work for each job shall be determined in advance and in writing between TIPS Member and Awarded vendor. It is permitted for the TIPS Member to provide a general scope, but the awarded vendor should provide a written scope of work to the TIPS Member as part of the proposal. Once the scope of the job is agreed to, the TIPS Member will issue a Purchase Order and/or an Agreement or Contract and/or an Agreement with the estimate referenced as an attachment along with required bond and any other special provisions agreed to for the TIPS Member. If special terms and conditions other than those covered within this solicitation and awarded Agreements are required, they will be attached to the Purchase Order and/or an Agreement or Contract and shall take precedence over those in the base TIPS Vendor Agreement.

Project Delivery Order Procedures

The TIPS Member having approved and signed an interlocal agreement, or other TIPS Membership document, may make a request of the awarded vendor under this Agreement when the TIPS Member has services that need to be undertaken. Notification may occur via phone, the web, email, fax, or in person. Upon notification of a pending request, the awarded vendor shall make contact with the TIPS Member as soon as possible, but must make contact with the TIPS Member within two working days.

Scheduling of Projects

Scheduling of projects (if applicable) will be accomplished when the TIPS Member issues a purchase order or other document that will serve as "the notice to proceed". The period for the delivery order will include the mobilization, materials purchase, installation and delivery, design, weather, and site cleanup and inspection. No additional claims may be made for delays as a result of these items. When the tasks have been completed the awarded vendor shall notify the client and have the TIPS Member inspect the work for acceptance under the scope and terms in the PO. The TIPS Member will issue in writing any corrective actions that are required. Upon completion of these items, the TIPS Member will issue a completion notice and final payment will be issued.

Support Requirements

If there is a dispute between the awarded vendor and TIPS Member, TIPS or its representatives will assist in conflict resolution or third party (mandatory mediation), if requested by either party. TIPS, or its representatives, reserves the right to inspect any project and audit the awarded vendors TIPS project files, documentation and correspondence.

Incorporation of Solicitation

The TIPS Solicitation, whether a Request for Proposals, the Request for Competitive Sealed Proposals or Request for Qualifications solicitation, the Vendor's response to same and all associated documents and forms made part of the solicitation process, including any addenda,

that resulted in the execution of this agreement are hereby incorporated by reference into this agreement as if copied verbatim.

SECTION HEADERS OR TITLES

THE SECTION HEADERS OR TITLES WITHIN THIS DOCUMENT ARE MERELY GUIDES FOR CONVENIENCE AND ARE NOT FOR CLASSIFICATION OR LIMITING OF THE RESPONSIBILITIES OF THE PARTIES TO THIS DOCUMENT.

NEW STATUTORY REQUIREMENT EFFECTIVE SEPTEMBER 1, 2017.

Texas governmental entities are prohibited from doing business with companies that fail to certify to this condition as required by Texas Government Code Sec. 2270.

By executing this agreement, you certify that you are authorized to bind the undersigned Vendor and that your company (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Agreement.

You certify that your company is not listed on and we do not do business with companies that are on the Texas Comptroller of Public Accounts list of Designated Foreign Terrorists Organizations per Texas Gov't Code 2270.0153 found at <https://comptroller.texas.gov/purchasing/docs/foreign-terrorist.pdf>

You certify that if the certified statements above become untrue at any time during the life of this Agreement that the Vendor will notify TIPS within 1 business day of the change by a letter on your letterhead from an authorized representative of the Vendor stating the non-compliance decision and the TIPS Agreement number and description at:

Attention: General Counsel
ESC Region 8/The Interlocal Purchasing System (TIPS)
4845 Highway 271 North
Pittsburg, TX, 75686.
And by an email sent to bids@tips-usa.com

Special Terms and Conditions

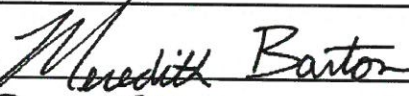
It is the intent of TIPS to award to reliable, high performance vendors to supply products and services to government and educational agencies. It is the experience of TIPS that the following procedures provide TIPS, the Vendor, and the participating agency the necessary support to facilitate a mutually beneficial relationship. The specific procedures will be negotiated with the successful vendor.

- **Agreements:** All vendor Purchase Orders and/or Agreements/Contracts must be emailed to TIPS at tipspo@tips-usa.com. Should an agency send an order direct to vendor, it is the vendor's responsibility to forward the order to TIPS at the email above within 24 business hours and confirm its receipt with TIPS.
 - **Promotion of Agreement:** It is agreed that Vendor will encourage all eligible entities to purchase from the TIPS Program. Encouraging entities to purchase directly from the Vendor and not through TIPS Agreement is a violation of the terms and conditions of this Agreement and will result in removal of the Vendor from the TIPS Program.
 - **Daily Order Confirmation:** All Agreement purchase orders will be approved daily by TIPS and sent to vendor. The vendor must confirm receipt of orders to the TIPS Member (customer) within 24 business hours.
 - **Vendor custom website for TIPS:** If Vendor is hosting a custom TIPS website, then updated pricing must be posted by 1st of each month.
 - **Back Ordered Products:** If product is not expected to ship within 3 business days, customer is to be notified within 24 hours and appropriate action taken based on customer request.
-

Page 12 of 12 will be the TIPS Vendor Agreement Signature Page

TIPS Vendor Agreement Signature Form

RFP 171105 Pipe Bursting

Company Name Vortex Companies, LLC
Address 18150 Imperial Valley Drive
City Houston State TX Zip 77060
Phone 713-750-9081 Fax 844-204-7996
Email of Authorized Representative nbanchetti@vortexcompanies.com
Name of Authorized Representative Nick Banchetti
Title COO
Signature of Authorized Representative 
Date 12/13/2017
TIPS Authorized Representative Name Meredith Barton
Title Vice-President of Operations
TIPS Authorized Representative Signature 
Approved by ESC Region 8 
Date 1/25/18

EMAIL PURCHASE ORDER TO: TIPSPO@TIPS-USA.COM
 ATTACH PO AS A PDF - ONLY ONE PO PER EMAIL
 PO MUST REFERENCE TIPS CONTRACT NUMBER

Resellers listed below may also hold a current TIPS contract. PO's for quotes provided by a reseller that are also awarded in the same category will be processed and sent directly to that reseller.

Please check under "ALL VENDORS" before requesting a quote from any listed reseller.

Resellers	Address
Quadex Lining Systems, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	18150 Imperial Valley Drive Houston, TX 7760 Phone: (713) 750-9081 Fax:
Quadex, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	18150 Imperial Valley Drive Houston, TX 7760 Phone: (713) 750-9081 Fax:
Ricor Services, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	6255 W 52nd Ave Arvada, CO 80002 Phone: (713) 750-9081 Fax:
Schwalm USA, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	1200 Woodruff Road, Unit B-7 Greenville, SC 29607 Phone: (713) 750-9081 Fax:
VacVision Environmental, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9082 Contact Email: nbanchetti@vortexcompanies.com	10200 U.S. Highway 92 East Tampa, FL 33610 Phone: (713) 750-9082 Fax:
Vaught Services, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	18150 Imperial Valley Drive Houston, TX 7760 Phone: (713) 750-9081 Fax:
Vortex Industrial Solutions, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	18150 Imperial Valley Drive Houston, TX 7760 Phone: (713) 750-9081 Fax:
Vortex Infrastructure Services, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	18150 Imperial Valley Drive Houston, TX 7760 Phone: (713) 750-9081 Fax:
Vortex Turnkey Solutions, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	18150 Imperial Valley Drive Houston, TX 7760 Phone: (713) 750-9081 Fax:
Vortex West, LLC www.vortexcompanies.com Contact: Nick Banchetti Contact Phone: (713) 750-9081 Contact Email: nbanchetti@vortexcompanies.com	625 W 52nd Ave Arvada, CO 80002 Phone: (713) 750-9081 Fax:

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Resellers - Dealers**Optional - For proposers with resellers**

This resellers document is for proposers to list any other companies that resell their products.

Only list resellers of your products that are located in the US or Canada.

Example: If a furniture manufacturer were responding to our RFP, then the furniture manufacturer would list on the resellers list sheet the furniture dealers that carry their products.

Reseller/Dealer Name	Address	City	State	Zip	Contact Name	Contact Email	Contact Phone	Contact Fax	Company Website
Vortex Infrastructure Services, LLC	18150 Imperial Valley Drive	Houston	TX	77060	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Vortex Turnkey Solutions, LLC	18150 Imperial Valley Drive	Houston	TX	77060	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Vortex Industrial Solutions, LLC	18150 Imperial Valley Drive	Houston	TX	77060	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Qualex Lining Systems, LLC	18150 Imperial Valley Drive	Houston	TX	77060	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Qualex, LLC	18150 Imperial Valley Drive	Houston	TX	77060	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Vaught Services, LLC	18150 Imperial Valley Drive	Houston	TX	77060	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Ricor Services, LLC	6255 W 52nd Ave.	Anvada	CO	80002	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Vortex West, LLC	6255 W 52nd Ave.	Anvada	CO	80002	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
Schwalm USA, LLC	1200 Woodruff Road, Unit B-7	Greenville	SC	29607	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9081	844-204-7996	www.vortexcompanies.com
VacVision Environmental, LLC	10200 U.S. Highway 92 East	Tampa	FL	33610	Nick Banchetti	nbanchetti@vortexcompanies.com	713-750-9082	844-204-7997	www.vortexcompanies.com



THE INTERLOCAL PURCHASING SYSTEM

"PURCHASING MADE PERSONAL"



CONTRACTOR PRICING WORKSHEET

JOB ORDER CONTRACTING NO:

171105

PROJECT NAME: 2018 Sanitary Sewer Upsize - Phase 2

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents **MUST** be faxed to Contract Administration @ 281-901-5336. or carefully print; thank you.

Please type

Item	Description of Item	Est. Quant.	Unit	LIST PRICING		PROJECT SPECIFIC DISCOUNT	
				Unit Price	Total	Unit Price	Total
BASE BID ITEMS							
1	Pipe Burst Existing 12-Inch Sanitary Sewer using 18-Inch O.D. HDPE Pipe, Complete in Place.	488	LF	\$ 384.30	\$ 187,538.40	\$315.00	\$ 153,720.00
2	Reconnection of Existing Sanitary Sewer Service Connection and up to 5-feet of lateral	45	EA	\$ 915.00	\$ 41,175.00	\$750.00	\$ 33,750.00
3	Bypass Pumping Setup	2	EA	\$ 29,280.00	\$ 58,560.00	\$24,000.00	\$ 48,000.00
4	Bypass Pumping	15	DAYS	\$ 15,494.00	\$ 232,410.00	\$12,700.00	\$ 190,500.00
5	Obstruction Removal, All Diameters, All Depths, Complete in Place.	5	EA	\$ 732.00	\$ 3,660.00	\$600.00	\$ 3,000.00
6	Cement Stabilized Backfill	150	TON	\$ 91.50	\$ 13,725.00	\$75.00	\$ 11,250.00
7	Remove and Replace Existing Pavement - Asphalt	100	SY	\$ 158.60	\$ 15,860.00	\$130.00	\$ 13,000.00
8	Remove and Replace Existing Pavement - Concrete	200	SY	\$ 298.90	\$ 59,780.00	\$245.00	\$ 49,000.00
9	Pipe Burst Existing 10-Inch Sanitary Sewer using 16-Inch O.D. HDPE Pipe, Complete in Place.	595	LF	\$ 217.16	\$ 129,210.20	\$178.00	\$ 105,910.00
10	Pipe Burst Existing 8-Inch Sanitary Sewer using 12.75-Inch O.D. HDPE Pipe, Complete in Place.	1003	LF	\$ 114.68	\$ 115,024.04	\$94.00	\$ 94,282.00
11	Manhole Rehabilitation	160	VF	\$ 463.60	\$ 74,176.00	\$380.00	\$ 60,800.00
Proposal BASE Total				\$ 931,118.64		\$ 763,212.00	
SUPPLEMENTAL ITEMS							
12	Mobilization	0	LS	\$ 28,800.00	\$ -	\$24,000.00	\$ -
13	Additional footage of service connection to property line or easement	650	LF	\$ 42.00	\$ 27,300.00	\$35.00	\$ 22,750.00
14	Dewatering setup	0	EA	\$ 11,400.00	\$ -	\$9,500.00	\$ -
15	Dewatering pumping	0	DAYS	\$ 960.00	\$ -	\$800.00	\$ -
16	Install 4' Diameter Manhole 0-8' Deep	1	EA	\$ 6,480.00	\$ 6,480.00	\$5,400.00	\$ 5,400.00
17	Extra Depth 4' Diameter Manhole	1	VF	\$ 540.00	\$ 540.00	\$450.00	\$ 450.00
Proposal SUPPLEMENTAL ITEMS Total				\$ 34,320.00		\$ 28,600.00	
TOTAL BASE + SUPPLEMENTAL (less Bonds)				\$ 965,438.64		\$ 791,812.00	

Items **NOT** Included in quote unless expressly noted:

Manhole Removal / Replacement or Coatings, Paint Repairs,
Dewatering, Traffic Control outside of typical cones and signage,
Heavy Bypass Pumping, Surface Restoration, SWPPP, Vibration Monitoring
Pre or Post Television Inspection, Bands, Mechanical Pipe Cleaning

Performance and Payment Bonds: \$ -

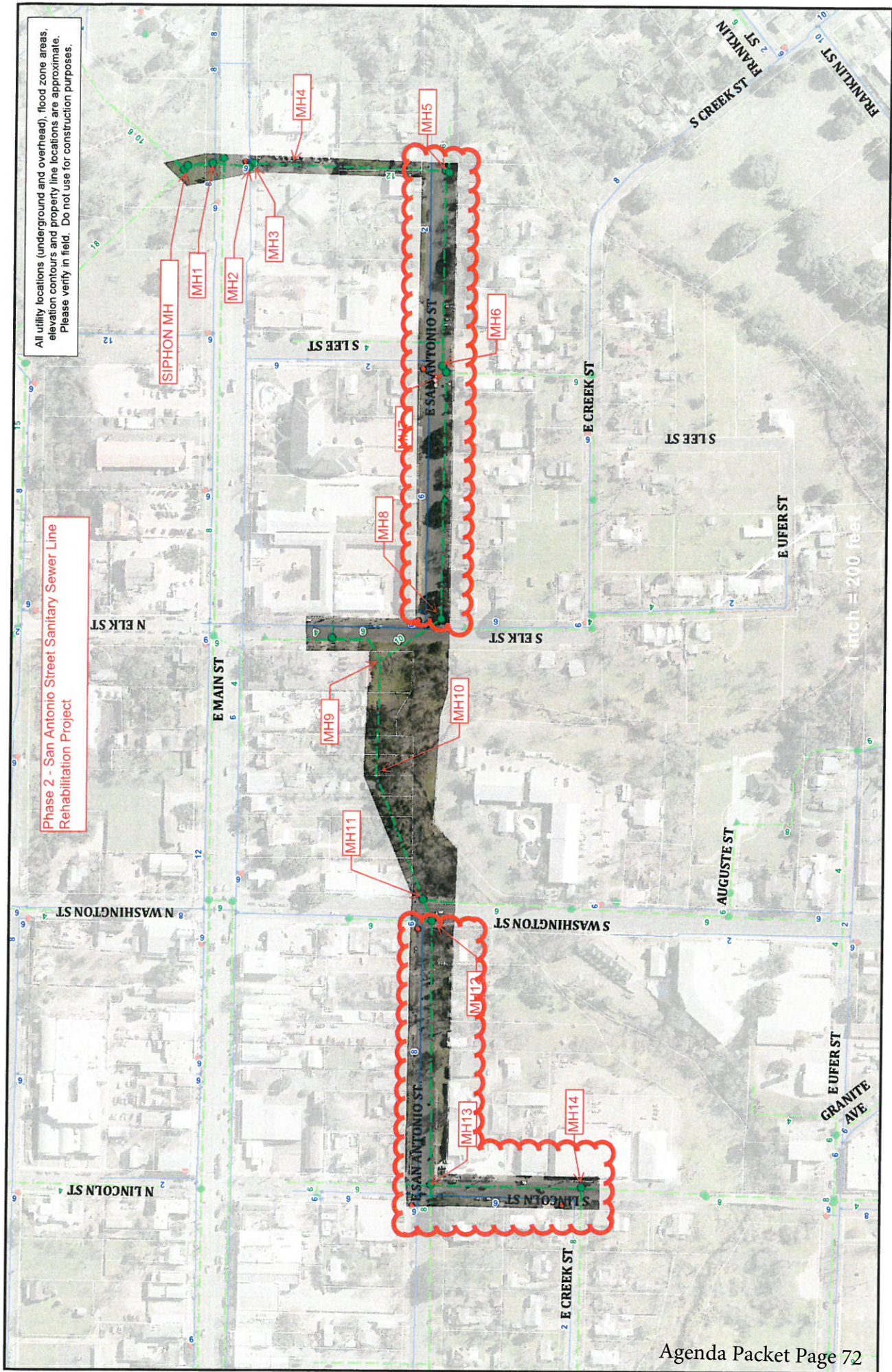
Pricing Date: 9/24/18 TOTAL w/ Bonds: \$ 791,812.00

Buying Agency:	City of Fredericksburg
Contact Person:	Kris Kneese
Phone:	830.990.2035
Email:	kkneese@fbgtx.org

Contractor:	Vaught Services, LLC
Prepared By:	Jedidiah Brewer
Phone:	615.495.9500
Email:	jbrewer@vaughtllc.com

NOTE:

- Acquisition of easements needed for horizontal bores is the responsibility of the City
 - City is responsible for providing engineered drawings for bore locations as well as surrounding utilities
 - Quantity is based on information provided by the Customer and may vary based on field measurements to be verified by Contractor
 - Contractor reserves the right to modify prices with written notice at any time during construction or until execution of formal contracts
- The Customer shall be responsible for providing:
- Access to hydrants or free water source as necessary (including meters)
 - All Traffic Control
 - All Permits and Permissions which may be necessary (Federal, State, TXDOT, Local, etc.)



Phase 2 - San Antonio Street Sanitary Sewer Line
Rehabilitation Project

All utility locations (underground and overhead), flood zone areas, elevation contours and property line locations are approximate. Please verify in field. Do not use for construction purposes.



CITY COUNCIL MEMO

DATE: October 1, 2018

TO: Mayor and City Council

FROM: Kris Kneese, P.E. – Assistant Director of Public Works and Utilities

SUBJECT: Professional Services Agreement for 2018 Water Bond Projects

Summary:

As part of the fiscal year 2019 budget discussion, the City Council approved recommendations by City Staff for water system improvements projects. The associated funding in the form of Water Revenue Bonds will be considered by Council at a regular City Council meeting in November 2018. Approved funding would be utilized for construction of the following Water System Project:

- (1) The construction of a new 1,000,000 gallon ground storage tank at Cross Mountain.
- (2) The construction of a new 1,000,000 gallon ground storage tank at North Tank.
- (3) The construction of a new 1,000,000 gallon ground storage tank, pump station and water transmission main out HWY 290 East to connect the Knauth Well Field to Fredericksburg.

Preliminary design and construction cost estimates for these projects is in the amount of \$19,316,727.

Recommendation:

City Engineering Staff recommends approval of the Professional Services Agreement with Freese and Nichols, Inc. to perform professional services as outlined in the "Scope of Services" of the attached agreement which includes basic and non-basic services consisting of preliminary and final professional engineering design, surveying, project bid and construction coordination, system modeling, geotechnical investigation, and tank, pipeline and pump station inspection for the City's proposed water system improvements projects for a lump sum fee of **\$1,893,890**.

Background / Analysis:

In 2017, Freese and Nichols completed the City's Water Master Plan which included a detailed analysis of the City's water distribution system infrastructure and recommendations for a number of capital improvements projects including several that would be designed and constructed under this proposed agreement. Because of their experience and familiarity with the City's water distribution system, City Staff requested that Freese and Nichols develop a draft contract proposal for providing professional services including the preliminary and final engineering design and construction management for the City's proposed 2018 Water Bond Projects. After review and deliberation of the draft contract submittal by City Staff, Freese and Nichols prepared and submitted a revised Professional Services Agreement which staff is recommending for approval by the City Council.

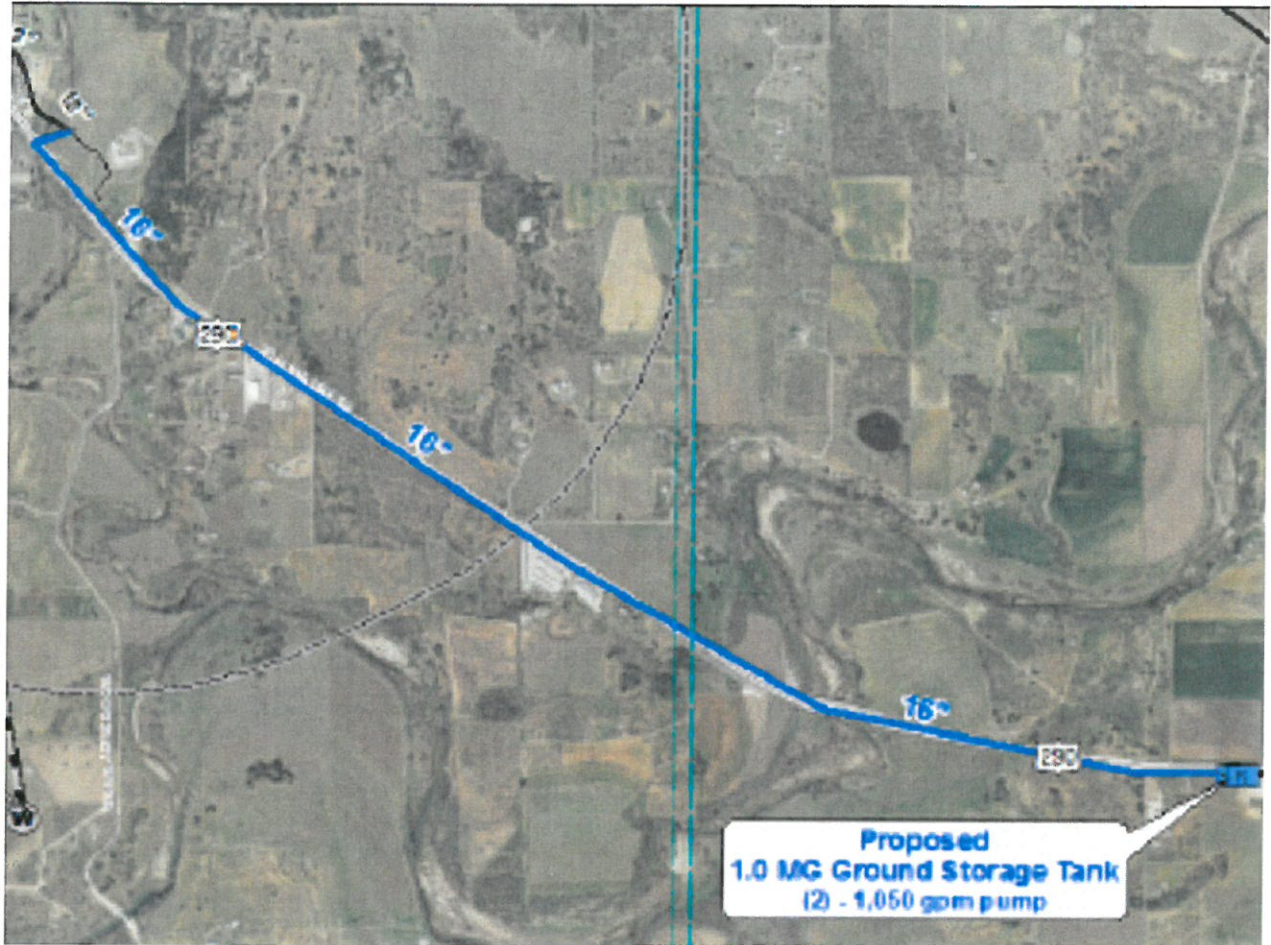
The following Water System Projects were identified as part of the part of the 2018 Water Revenue Bond Project:

- (1) The construction of a new 1,000,000 gallon ground storage tank at Cross Mountain. The current 1,000,000 gallon ground storage tank at Cross Mountain is a welded steel tank, which has an average paint cycle of approximately 15 years. With the city's water system operation of the Cross Mountain ground storage tank, the tank cannot be isolated to perform the needed interior and exterior coatings rehabilitation. Therefore, as recommended in the Water Master Plan, an additional ground storage tank will be construction next to the existing tank to allow for the required tank maintenance.

- (2) The construction of a new 1,000,000 gallon ground storage tank at North Tank. Similar to the Cross Mountain Tank, the current 1,000,000 gallon ground storage tank known as the North Tank, located at Boot Ranch, is a welded steel tank, which has an average paint cycle of approximately 15 years. With the city's water system operation of the North ground storage tank, the tank cannot be isolated to perform the needed interior and exterior coatings rehabilitation. Therefore, as recommended in the Water Master Plan, an additional ground storage tank will be construction next to the existing tank to allow for the required tank maintenance.

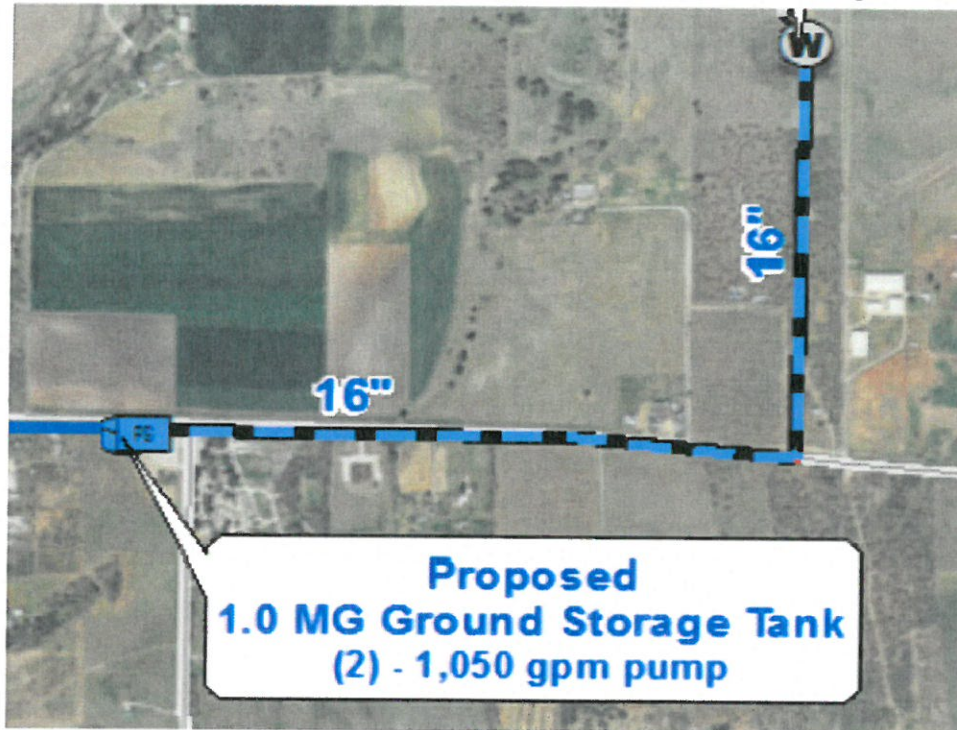
- (3) The construction of a new 1,000,000 gallon ground storage tank, pump station and water transmission main out HWY 290 East to connect the Knauth Well Field to Fredericksburg. The City's current "bottle neck" in the water distribution system is pumping the water to Fredericksburg through the 2 – 16 inch water transmission mains. Along with the proposed water transmission main project, the new tank and pump station will provide redundancy to pump the water from the Knauth Well Field to Fredericksburg. Below are a couple of maps showing the approximately location of the proposed pipeline along HWY 290 East. Note that the location of the ground storage tank and pump station have not been finalized. The location of this infrastructure will be determined during the preliminary design phase of the project.

Image 1: HWY 290 East Water Line, Pump Station and Ground Storage Tank



Note: The location of the pump station and ground storage tank have not been finalized. The location will be determined during the preliminary design and engineering phase of the project.

Image 2: HWY 290 East Water Line, Pump Station, and Ground Storage Tank



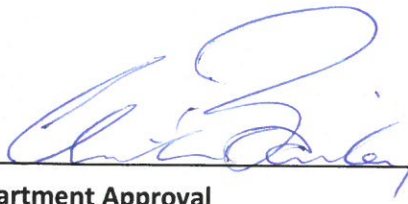
Note: The location of the pump station and ground storage tank have not been finalized. The location will be determined during the preliminary design and engineering phase of the project.

Preliminary cost estimates for these projects, according to the 2016 Water Master Plan completed by Freese and Nichols, total an amount of around \$19,316,727. This cost estimate includes, engineering, design, surveying and construction. As discussed with City Council, a revenue bond will be issued in November 2018 to fund the professional services and construction of these projects.

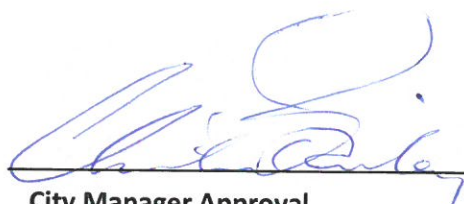
According to the proposed professional services agreement, the design and engineering of the Cross Mountain and North Tanks will be completed in approximately 8 months, while the design and engineering of the HWY 290 East water line, pump station and ground storage tank projects will take approximately 11 to 12 months to complete.

Attachments:

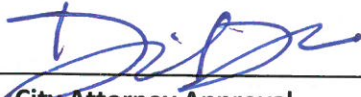
- Freese and Nichols Agreement for Professional Services



Department Approval



City Manager Approval



City Attorney Approval

AGREEMENT FOR PROFESSIONAL SERVICES

STATE OF TEXAS §

COUNTY OF TARRANT §

This AGREEMENT is entered into by the City of Fredericksburg, Texas, hereinafter called "Owner" and Freese and Nichols, Inc., hereinafter called "FNI." In consideration of the AGREEMENTS herein, the parties agree as follows:

- I. **EMPLOYMENT OF FNI:** In accordance with the terms of this AGREEMENT: Owner agrees to employ FNI; FNI agrees to perform professional services in connection with the Project; Owner agrees to pay to FNI compensation. The Project is described as follows: Water System Improvement Projects 3, 4, 11, and 12 from the City Water Master Plan.
- II. **SCOPE OF SERVICES:** FNI shall provide professional services in connection with Project as set forth in Attachment SC - Scope of Services and Responsibilities of Owner which is attached to and made a part of this AGREEMENT.
- III. **COMPENSATION:** Owner agrees to pay FNI for all professional services rendered under this AGREEMENT. FNI shall perform professional services as outlined in the "Scope of Services" for a lump sum fee of **\$1,893,890**.

If FNI's services are delayed or suspended by Owner, or if FNI's services are extended for more than 60 days through no fault of FNI, FNI shall be entitled to equitable adjustment of rates and amounts of compensation to reflect reasonable costs incurred by FNI in connection with such delay or suspension and reactivation and the fact that the time for performance under this AGREEMENT has been revised.
- IV. **TERMS AND CONDITIONS OF AGREEMENT:** The Terms and Conditions of Agreement as set forth as Attachment TC shall govern the relationship between the Owner and FNI.

Nothing under this AGREEMENT shall be construed to give any rights or benefits in this AGREEMENT to anyone other than Owner and FNI, and all duties and responsibilities undertaken pursuant to this AGREEMENT will be for the sole and exclusive benefit of Owner and FNI and not for the benefit of any other party.

This AGREEMENT constitutes the entire AGREEMENT between Owner and FNI and supersedes all prior written or oral understandings.

This contract is executed in two counterparts.

IN TESTIMONY HEREOF, they have executed this AGREEMENT, the ____ day of _____, 2018.

ATTEST:

City of Fredericksburg, Texas
(OWNER)

By: _____

Print or Type Name and Title

ATTEST:

Freese and Nichols, Inc.
(FNI)

By: John New

John New, P.E.

Vice President

SCOPE OF SERVICES AND RESPONSIBILITIES OF OWNER

Background and Scope of Work

The scope of work consists of the following:

- A. Capital Improvements Program (CIP) Project 3: Cross Mountain Tank Improvements - This project consists of the addition of one new 1.0 million gallon ground storage tank and associated piping at the Cross Mountain Tank site.
- B. CIP Project 4: North Tank Improvements - This project consists of the addition of one new 1.0 million gallon ground storage tank and associated piping at the North Tank site
- C. CIP Project 11: 16-inch water line from the Proposed Pump Station (Project 12) to the existing 12-inch water line at University Center. The pipe line is approximately 18,000 feet, with length dependent on the location of the Proposed Pump Station.
- D. CIP Project 12: New pump station with 2 – 1,050 gpm pumps, one 1.0 million gallon ground tank and 16-inch water line from the Knauth Well Field to the Proposed Pump Station. The pipe line is approximately 9,000 feet, with length dependent on the location of the Proposed Pump Station.

Project Assumptions

- A. General
 - 1. Any Record Drawings for the existing tank sites or for any utilities being impacted by the proposed improvements will be provided to FNI by the OWNER.
 - 2. Construction contract documents will be FNI standard (EJCDC 2007) and Technical specifications will be FNI standard provided in CSI 2004 format. FNI will review the City standards and incorporate any City specific requirements into the project documents.
 - 3. The projects will be separated into three separate bid packages as indicated:
 - a. Bid Package 1 will be for Project 3 Cross Mountain Tank and Project 4 North Tank.
 - b. Bid Package 2 will be for Project 11 16-inch water main and Project 12 16-inch water main for a total length of 27,000 feet.
 - c. Bid Package 3 will be for Project 12 the new pump station and 1.0 MG Tank.
 - 4. Projects will be design-bid-build and alternative delivery will not be utilized.
 - 5. Scope does not include material testing.
 - 6. Scope does not include IBC Chapter 17 special inspections.
- B. Cross Mountain Tank Improvements and North Tank Improvements
 - 1. The rehabilitation of the existing Cross Mountain and North Tanks, improvements to the existing pump stations or existing sites are not included in this scope.
 - 2. No improvements to underground or above ground piping are anticipated or included, except as required to make tie-ins to proposed tank.
 - 3. Cathodic protection systems will be specified by a performance-based specification with design provided by the Contractor.
 - 4. No improvements to the roadway, drainage, etc. is anticipated or included within this scope. This includes any evaluation or off-site improvements for tank overflow discharge.
 - 5. No improvements to any chemical feed systems are anticipated or included.
- C. 16-inch Water Main Improvements
 - 1. Cathodic protection systems for pipeline will not be required.
 - 2. The route for the water line will generally follow US Highway 290.

3. Metes and bounds exhibit preparation for pipeline placed outside of TxDOT ROW will be an additional service.

D. Proposed Pump Station

1. Pump station building will not have bathrooms.

Contract Services

Freese and Nichols, Inc. (FNI) has been selected to provide design, bid and construction phase services for the projects indicated above. The OWNER desires to proceed with the Preliminary Design, Final Design, Bid and Construction Phases for these projects; the subject of this Agreement for Professional Services.

ARTICLE I - Cross Mountain Tank and North Tank

After authorization from the OWNER, FNI shall proceed with the Services as described below. FNI will provide monthly progress reports and schedule updates to the OWNER. FNI shall render the following professional services in connection with the development of the Project:

FNI shall coordinate internally and also with the OWNER for successful Preliminary Design, Final Design, Bid and Construction Phase(s) initiation, planning, execution, monitoring/controlling and closeout. FNI shall manage Preliminary Design Phase integration, scope, time, cost, quality, staff resources, communications, risk and procurements as necessary. This includes but is not limited to:

1. Consult with the OWNER: (1) to review the scope of services, (2) to verify the OWNER's requirements for the Project, and (3) to review available data.
2. Advise the OWNER as to the necessity of the OWNER's providing or obtaining data or services from others and assist the OWNER in connection with any such services.
3. Direction and coordination of FNI's staff and sub-consultants for completion of required tasks and deliverables for the Study and Report Phase.
4. Develop a project Quality Assurance/Quality Control (QA/QC) Program.
5. Provide internal QA/QC reviews of all Phase deliverables.

Task 1 – Preliminary Design Phase

- A. Provide schematic site layouts for proposed ground storage tanks and associated piping improvements.
- B. FNI will provide a Preliminary Engineer's Opinion of Probable Cost (EOPC) of improvements including any alternatives.
- C. Meetings, FNI will prepare meeting agendas and minutes for all meetings and workshops listed below:
 1. Attend one (1) project kick-off meeting.
 2. Attend one (1) project site evaluation associated with the design of the project improvements. This will also serve as a progress meeting with the OWNER.
 3. Attend a maximum of one (1) review workshop to review the OWNER's comments on the Schematic layouts for the tanks and pipeline.
- D. Deliverables, FNI will provide copies of reports and other data to the OWNER as indicated:
 1. Agendas and Meeting Minutes for all meetings – one (1) electronic copy
 2. Schematic Layouts of the proposed tank placement and proposed yard piping.

Task 2 – Survey Services

- A. Cross Mountain Tank Site
 - 1. Perform topographical survey of the existing tank site from the fence lines inward and an additional 300'x100' outside of the fence.
 - 2. Obtain elevations of the top of foundation for the existing tank, overflow elevation (coordination with OWNER required for climbing the tank), top of the tank elevations at the roof to wall connection and at the center of the existing tank.
- B. North Tank Site
 - 1. Perform topographical survey of the existing tank site from the property lines inward (approximately 8 acres).
 - 2. Scope includes obtaining elevations of the top of foundation for the existing tank, overflow elevation (coordination with Owner required for climbing the tank), top of the tank elevations at the roof to wall connection and at the center of the existing tank.

Task 3 – Texas Historic Commission (THC) Coordination:

- A. The Texas Historical Commission Chapter 26 “Rules of Practice and Procedure for the Antiquities Code of Texas”, Section 26.11 (1) “Project Notification”, requires that “...public agencies shall notify the commission before groundbreaking on public land or construction projects that could take, alter, damage, destroy, salvage, or excavate archeological sites, historical structures, designated historic districts, or other cultural resources or landmarks...”. FNI will perform a desktop analysis and prepare a coordination letter for the two projects. Subsequent cultural resources field survey is not included in this scope of work.

Task 4 – Final Design Phase

After the OWNER has accepted the information provided in the Preliminary Design Phase and has issued written authorization to proceed with the Final Design Phase, FNI shall provide professional services in this phase as follows:

- A. FNI will coordinate internally and also with the OWNER for Phase initiation, planning, execution, monitoring/controlling and closeout. FNI will manage Phase integration, scope, time, cost, quality, staff resources, communications, risk and procurements as necessary. This includes but is not limited to:
 - 1. Advise the OWNER of need for any special services, which are not already included in the Basic Services. The cost of any additional special services shall be paid by the OWNER and are not included in the services performed by FNI.
 - 2. Direction and coordination of FNI's staff and sub-consultants for completion of required tasks and deliverables for the Design Phase.
 - 3. Provide updated design schedule.
 - 4. Provide internal QA/QC reviews of all Design Phase Deliverables.
- B. The design for the Cross Mountain Tank includes:
 - 1. Site grading
 - 2. Changes to site fencing
 - 3. Yard piping to connect proposed tank to existing water system
 - 4. 1.0 MG ground storage tank and appurtenances
 - 5. If needed, relocation of wastewater service line to park bathroom

- C. The design for the North Tank includes:
 - 1. Site grading
 - 2. Yard piping to connect proposed tank to existing water system
 - 3. 1.0 MG ground storage tank and appurtenances
- D. 60% and 90% Design submittals will include:
 - 1. Prepare 60% and 90% complete project drawings and specifications.
 - 2. Prepare 60% and 90% EOPC.
 - 3. Provide a written response to all review comments provided by the OWNER.
- E. Meetings
Attend two (2) workshops (60% and 90%) to review the OWNER's comments on Design Phase deliverables.
- F. 100% Design
 - 1. Prepare 100% complete project drawings and specifications, signed and sealed for project bid purposes.
 - 2. Prepare 100% EOPC
 - 3. Prepare TCEQ coordination and provide project submittal.
- G. Deliverables
 - 1. Agendas and Meeting Minutes for all meetings – one (1) electronic copy
 - 2. 60%, 90% and 100% EOPC – one (1) electronic copy by e-mail
 - 3. 60%, 90% and 100% Construction Plans – one (1) electronic copy downloadable by ftp, four (4) sets of standard 11x17 “half-size” bound plans
 - 4. 60%, 90% and 100% Technical Specifications – one (1) electronic copy downloadable by ftp and four (4) hard copies

Task 5 – Geotechnical Engineering Services

- A. Review the Geologic Atlas of Texas to study general subsurface conditions that are expected at each tank site.
- B. Visit the tank sites before drilling to select locations for exploratory borings. Geotechnical Engineer will stake the specific locations after checking underground utilities, other existing construction, and accessibility. If any clearing is required FNI will notify the OWNER and clearing will be an additional service.
- C. The Geotechnical Engineer will coordinate with the City and Texas 811 regarding underground utilities within the vicinity of the planned boring locations prior to commencement of the field exploration activities.
- D. Subcontract with a drilling contractor to drill exploratory borings for the each of the proposed GST according to the schedule provided below. The boring depths are intended to provide a 15- to 30-foot profile of the bedrock below the GST and may be adjusted based on in situ conditions to achieve this penetration.
 - 1. For each Ground Storage Tank: Four (4) borings to a depth of 30 feet around the tank perimeter and one (1) boring to a depth of 60 feet below existing grade near the center of the tank. Total number of borings will be ten (10).
 - 2. The borings will be advanced using standard rotary drilling equipment with continuous-flight augers (solid or hollow stem) or rotary wash methods. Subsurface samples will be collected

- using 3-inch diameter Shelby tubes for cohesive soils and a 2-inch diameter split-spoon sampler in conjunction with the Standard Penetration Test (SPT) for intermediate and non-cohesive soils. Rock and rock-like materials will be cored using an NX core barrel and/or tested in situ using the Texas Cone Penetration (TCP) Test or the SPT, as appropriate for the material.
3. Groundwater observations within the borings will be recorded at the time of drilling and at the completion of drilling and sampling.
 4. The borings will be backfilled with auger cuttings upon completion of drilling and sampling.
- E. An Engineer or Geologist experienced in logging borings will direct the drilling, log the borings, and handle and transport the samples. Visual classification of the subsurface stratigraphy shall be provided according to ASTM D2488 and the Unified Soil Classification System (USCS) during drilling and sampling.
 - F. Testing shall be performed on samples obtained from the borings to determine soil classification and pertinent engineering properties of the subsurface materials.
 - G. The Geotechnical Engineer will select samples for laboratory testing, assign tests, and review the test results.
 - H. Laboratory tests will be appropriately assigned for the specific subsurface materials encountered during exploration, but are expected to include:
 1. Classification tests (liquid and plastic limits and percent passing the no. 200 sieve or gradation)
 2. Moisture content
 3. Unit dry weight
 4. Unconfined compressive strength of soil and rock
 5. One-dimensional swell
 - I. The Geotechnical Engineer will perform the geotechnical engineering analysis and prepare a technical memorandum. The technical memorandum will include the following:
 1. Appendix with the boring locations, boring logs, laboratory test results, and a key to the symbols used.
 2. Discussion of subsurface conditions and soil properties indicated by the field and laboratory work and the implications for design.
 3. Foundation recommendations, including bearing capacity of soils, suitable bearing material, lateral and overturning resistance, etc. applicable for the recommended foundation or foundation options.
 4. General discussion of expected construction related issues.
 5. Earthwork related recommendations for use during development of plans and specifications.
 - J. Submittals will include an electronic PDF copy of the technical memorandum.

Task 6 – Bid Phase Services

Upon completion of the design services, and approval of Design Phase drawings and specifications by the OWNER, FNI shall proceed with the performance of services in this phase. FNI shall provide professional services in this phase as follows:

- A. Advise the OWNER of the need for any special services, which are not already included in the Basic Services. The cost of any additional special services shall be paid by the OWNER and are not included in the services performed by the FNI.

- B. Direction and coordination of FNI's staff and sub-consultants for completion of required tasks and deliverables for Bid Phase.
- C. FNI will attend the Pre-bid Conference and Site Meeting (both Cross Mountain Tank site and North Tank site).

Pre-Bid Conferences to be administered by the OWNER. FNI will assist the OWNER with preparation of agenda, provide the OWNER with meeting notes, and coordinate conference responses with the OWNER. Written responses to issues identified at the pre-bid conference will be in the form of addenda issued after the conference.

- D. FNI will assist the OWNER by responding to questions and interpreting bid documents. Prepare addenda to the bid documents if necessary.
- E. FNI will assist the OWNER in the opening and analyzing of the bids received for each of the two projects. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project. This includes researching contractor qualifications and references. Recommend award of contract or other actions as appropriate to be taken by the OWNER in the form of a Letter of Recommendation.
- F. FNI will conform the construction documents by incorporating all addenda items into the plans and specifications.

Task 7 – Construction Phase Services

Upon completion of the bid phase services, FNI will proceed with the performance of construction phase services as described below. FNI will endeavor to protect the OWNER in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the project.

- A. FNI will assist the OWNER in conducting the Pre-Construction Meeting and prepare meeting minutes.
- B. FNI attend the following Construction Site Visits/Construction Progress Meetings appropriate to the stage of construction to the site and when requested by OWNER, to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Construction Contract Documents. In this effort FNI will endeavor to protect the Owner against defects and deficiencies in the work of Contractors and will report any observed deficiencies to Owner. Visits to the site in excess of the 8 site visits/meetings are an additional service.
- C. Punchlist Meeting: Conduct, in company with the Owner's representative, a final review of the Project for conformance with the design concept of the Project and general compliance with the Construction Contract Documents. Prepare a list of deficiencies to be corrected by the contractor before recommendation of final payment. FNI will provide the following punch list meetings/site visits:

1. Punchlist meeting for the Cross Mountain Tank Improvements

2. Punchlist meeting for the North Tank Improvements

- D. Warranty Site Visit: Conduct, in company with the Owner's representative, a review of the Project for performance prior to the end of the warranty period. If the tank(s) are unable to be drained then review of the interior of the tank will be completed as accessible from the interior ladder. The following visits will be made:

1. Warranty visit for the Cross-Mountain Tank Improvements
2. Warranty visit for the North Tanks Improvements

FNI will prepare a list of deficiencies to be corrected by the Contractor. Verification that all deficiencies were addressed is not included within this scope.

- E. Establish and maintain a project documentation system consistent with the requirements of the construction Contract Documents. Monitor the processing of contractor's submittals and provide for filing and retrieval of project documentation. Review Contractor's submittals, including, requests for information, shop drawings, schedules, and other submittals in accordance with the requirements of the construction Contract Documents for the projects.
- F. Assist Owner in negotiating with the Contractor to determine the cost and time impacts of changes to construction documents.
- G. Prepare documentation for contract modifications required to implement modifications in the design of the project unless there is a change in project scope. Project design changes due to a change in project scope will be an additional service.
- H. Notify Owner of Contractor's non-conforming work observed on site visits. Review quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Construction Contract Documents.
- I. Interpret the drawings and specifications for Owner and Contractor. Investigations, analyses, and studies requested by the Contractor and approved by Owner, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.
- J. Revise the construction drawings in accordance with the information furnished by construction Contractor(s) reflecting changes in the Project made during construction. Two (2) Full size bond sets of prints of "Record Drawings" shall be provided by FNI to the Owner.

ARTICLE II: - 16-inch Water Main Improvements

Task 1 – Preliminary Design Phase

- A. Conduct a site visit to evaluate up to three (3) the pipeline alignments along the Highway 290 route.
- B. Evaluate the feasibility of the potential alignments, design and construction schedule, and probable construction costs associated with this alternative.
- C. Evaluate the impact of new water transmission main on existing utilities, streets, highways, driveways, traffic, and determine route, appurtenances, and permanent and construction easement requirements.
- D. Prepare a preliminary alignment study memorandum with a schematic layout of a maximum of three alternative water main alignments with appropriate exhibits to indicate the recommended alignment to OWNER, assessing transmission line hydraulics, pipe material alternatives, recommended permanent and temporary construction easement requirements, feasibility and impacts, final design criteria, updated design and construction schedule and setting forth FNI's opinions of probable construction costs for the Project.
- E. Furnish three (3) copies of the memorandum and present and review the preliminary design in person with OWNER.
- F. Meetings, FNI will prepare meeting agendas and minutes for all meetings and workshops listed below:
 1. Attend one (1) project site evaluation associated with the design of the project improvements. This will also serve as a progress meeting with the OWNER.
 2. Attend a maximum of one (1) review workshop to review the OWNER's comments on the Schematic layouts for the pipeline.
- G. Deliverables, FNI will provide copies of reports and other data to the OWNER as indicated:
 1. Agendas and Meeting Minutes for all meetings – one (1) electronic PDF copy
 2. Preliminary alignment study memo three (3) hard copies and one (1) electronic PDF copy

Task 2 – Environmental Services

As part of environmental regulatory compliance of the proposed project, FNI will perform an environmental evaluation that will include a desktop survey and a field effort. Resulting information will be summarized in a technical memorandum. Specifically, we will evaluate the project with regards to the following:

- Section 404 of the Clean Water Act – US Army Corps of Engineers (USACE)
- Endangered Species Act – US Fish and Wildlife Service (USFWS)
- National Historic Preservation Act and/or State Antiquities Code – Texas Historical Commission (THC)

The following information provides more details on steps taken to evaluate project environmental regulatory compliance:

- A. Desktop Surveys: Prior to performing field surveys, FNI will perform a desktop survey to evaluate potential environmental constraints for the project area; we will review various publicly-available data, including (but not limited to) US Fish and Wildlife Service (USFWS) National Wetland Inventory (NWI) maps, literature on life history and previously-recorded occurrence data of federally-listed species, Texas Parks and Wildlife Department (TPWD) and USFWS county lists of potentially-occurring protected species, TPWD's Natural Diversity Database, Natural Resource Conservation Service (NRCS) county soil maps, US Geological Survey (USGS) 7.5-minute topographic maps,

USGS National Hydrography Dataset (NHD), Texas Historical Commission's Atlas data for previously-recorded cultural resources and historic properties, Federal Emergency Management Agency (FEMA) floodplain maps, and recent and historic aerial imagery.

- B. Field Survey: Following the desktop surveys FNI will perform a field effort that will include a delineation of waters of the US (WOTUS) and a habitat assessment for federally-listed species. We will use a sub-meter accuracy GPS unit to map all potentially regulated waters, including wetlands. Methods will follow the 1987 USACE Wetland Delineation Manual, and the Great Plains Regional Supplement. Wetland Determination Data Forms (WDDFs) will be produced for any potential wetlands mapped during this effort. Resulting information will be included in the technical memorandum. It is assumed that property access would be provided.
- C. Section 404 Permitting Evaluation: A USACE Section 404 permit is required for activities that result in the discharges of fills within WOTUS. During the desktop analysis and field effort, FNI will identify potential WOTUS within the project areas. It is assumed that a Nationwide Permit (NWP) without a Pre-Construction Notification would apply to the proposed project, and this would be confirmed with surveys and documented in the technical memorandum. No permit applications or USACE coordination is included with this scope.
- D. Federally-listed Species and Endangered Species Act: The desktop effort will include file reviews pertaining to federally-listed species. The habitat assessment will be performed during the field surveys for all potentially occurring federally-listed species in Gillespie County. No USFWS coordination will occur under this scope.
- E. Cultural Resources Evaluation: A desktop review of cultural resources will be performed. Results of the desktop review (i.e., Texas Historical Commission's Atlas data for previously-recorded cultural resources and historic properties) will be summarized in a technical memorandum or letter report. No field surveys for cultural resources or historic properties will occur under this scope.

Task 3 – Survey Services

- A. Perform design survey of the approved waterline alignment, including 1-foot contours, surface features, property lines, manholes, vaults, valves, flow lines, overhead electrical lines, streets, driveways, drainage facilities, fences, utility flagging and marking provided by DIG-TESS, and any potholing performed by the OWNER or utility owner.
 - 1. Contact the State One-Call Utility Locate service (DIG TESS) to initiate franchise utilities to locate their infrastructure in the vicinity of the proposed project. Perform field surveys to tie the horizontal location of these facilities.
 - 2. Provide survey control along the pipeline route in a coordinate system and vertical datum as approved by the CITY, and compatible with other pipeline projects.
 - 3. Provide topographic survey for a 100-foot width focusing on whichever side the proposed alignment is to be installed (full ROW is not included) along the pipeline routes for up to 27,000 linear feet. Topographic survey will include all property monuments, apparent easements, property lines, right-of-way lines, fences, pavement, signs, utility markers, indicate all trees four (4) inches in diameter or larger and the limits of landscaping within the 100-foot wide strip along the proposed pipeline route. Topographic survey will not include individual tree surveys
- B. Permanent and temporary easement documents are anticipated for this project. Permanent and temporary easement documents will be provided for a cost of \$2,500 per easement.

1. Provide deed research for the preparation of easement documents. (This task does not include title research)
2. Prepare metes and bounds easement descriptions for each private tract. A separate description will be prepared for both permanent and temporary easements.
3. For budgeting purposes, a maximum of 10 easements documents. If more than 10 easement documents are required, then additional payment will be required, for not only the cost for easement preparation on a per each basis but also for the cost of additional field work.
4. Each document will be provided at a cost of \$2,500 per each easement document prepared, Not to Exceed \$25,000 for 10 easement documents.

Task 4 – Geotechnical Engineering Services

- A. Review the Geologic Atlas of Texas to study general subsurface conditions that are expected at each tank site.
- B. Visit the sites before drilling to select locations for exploratory borings. Geotechnical Engineer will stake the specific locations after checking underground utilities, other existing construction, and accessibility. If any clearing is required FNI will notify the OWNER that
- C. The Geotechnical Engineer will coordinate with the City and Texas 811 regarding underground utilities within the vicinity of the planned boring locations prior to commencement of the field exploration activities.
- D. The Geotechnical Engineer will coordinate with TxDOT to obtain relevant right-of-way permit(s) prior to commencement of the field exploration activities along Highway 290. Provide traffic control signs and cones when drilling in TxDOT ROW, if required.
- E. Subcontract with a drilling contractor to drill exploratory borings for the each of the proposed improvements according to the schedule provided below.
 1. Water Transmission Line: Six (6) borings to a depth of 20 feet below existing grade along the proposed pipeline, two (2) borings to a depth of 60 feet below existing grade at the Pedernales River crossing, two (2) borings to a depth of 40 feet below existing grade at the Barons Creek crossing and six (6) borings to a depth of 40 feet below existing grade at the Highway 290 crossings.
 2. The borings will be advanced using standard rotary drilling equipment with continuous-flight augers (solid or hollow stem) or rotary wash methods. Subsurface samples will be collected using 3-inch diameter Shelby tubes for cohesive soils and a 2-inch diameter split-spoon sampler in conjunction with the Standard Penetration Test (SPT) for intermediate and non-cohesive soils. Rock and rock-like materials will be cored using an NX core barrel and/or tested in situ using the Texas Cone Penetration (TCP) Test or the SPT, as appropriate for the material.
 3. Groundwater observations within the borings will be recorded at the time of drilling and at the completion of drilling and sampling.
 4. The borings will be backfilled with auger cuttings upon completion of drilling and sampling.
- F. An Engineer or Geologist experienced in logging borings will direct the drilling, log the borings, and handle and transport the samples. Visual classification of the subsurface stratigraphy shall be provided according to ASTM D2488 and the Unified Soil Classification System (USCS) during drilling and sampling.

- G. Testing shall be performed on samples obtained from the borings to determine soil classification and pertinent engineering properties of the subsurface materials.
- H. The Geotechnical Engineer will select samples for laboratory testing, assign tests, and review the test results.
- I. Laboratory tests will be appropriately assigned for the specific subsurface materials encountered during exploration, but are expected to include:
 - 1. Classification tests (liquid and plastic limits and percent passing the no. 200 sieve or gradation)
 - 2. Moisture content
 - 3. Unit dry weight
 - 4. Unconfined compressive strength of soil and rock
 - 5. One-dimensional swell
- J. The Geotechnical Engineer will perform the geotechnical engineering analysis and prepare a technical memorandum. The technical memorandum will include the following:
 - 1. Appendix with the boring locations, boring logs, laboratory test results, and a key to the symbols used.
 - 2. Discussion of subsurface conditions and soil properties indicated by the field and laboratory work and the implications for design.
 - 3. Foundation recommendations, including bearing capacity of soils, suitable bearing material, lateral and overturning resistance, etc. applicable for the recommended foundation or foundation options.
 - 4. General discussion of expected construction related issues.
 - 5. Earthwork related recommendations for use during development of plans and specifications.
- K. Submittals will include an electronic PDF copy of the technical memorandum.

Task 5 – Final Design Phase

After the OWNER has accepted the information provided in the Preliminary Design Phase and has issued written authorization to proceed with the Final Design Phase, FNI shall provide professional services in this phase as follows:

- A. FNI will coordinate internally and also with the OWNER for Phase initiation, planning, execution, monitoring/controlling and closeout. FNI will manage Phase integration, scope, time, cost, quality, staff resources, communications, risk and procurements as necessary. This includes but is not limited to:
 - 1. Advise the OWNER of need for any special services, which are not already included in the Basic Services. The cost of any additional special services shall be paid by the OWNER and are not included in the services performed by FNI.
 - 2. Direction and coordination of FNI's staff and sub-consultants for completion of required tasks and deliverables for the Design Phase.
 - 3. Provide updated design schedule.
 - 4. Provide internal QA/QC reviews of all Design Phase Deliverables.
- B. Prepare drawings, specifications, Construction Contract Documents, designs, and layouts of improvements to be constructed. Improvements shall include:
 - 1. 16-inch water line

2. Appurtenances for water line including blow-off valves, air release valves, in-line valves, fire hydrants and valve vaults.
 3. Boring/Tunneling requirements.
 4. Connections to existing water lines.
- C. Identify limits of street repair required due to impact of pipeline construction.
- D. 60% and 90% Design submittal will include:
1. Prepare 60% complete project drawings and specifications.
 2. Provide 90% complete project drawings and specifications.
 3. Prepare 60% and 90% EOPC.
 4. Provide a written response to all review comments provided by the OWNER.
- E. Meetings
Attend two (2) workshops (60% and 90%) to review the OWNER's comments on Design Phase deliverables.
- F. 100% Design
1. Prepare 100% complete project drawings and specifications, signed and sealed for project bid purposes.
 2. Prepare 100% EOPC
 3. Prepare TCEQ coordination and provide project submittal.
- G. Deliverables
1. Agendas and Meeting Minutes for all meetings – one (1) electronic copy
 2. 60%, 90% and 100% EOPC – one (1) electronic copy by e-mail
 3. 60%, 90% and 100% Construction Plans – one (1) electronic copy downloadable by ftp, four (4) sets of standard 11x17 “half-size” bound plans
 4. 90% and 100% Technical Specifications – one (1) electronic copy downloadable by ftp and four (4) hard copies

Task 6 – Bid Phase Services

Upon completion of the design services, and approval of Design Phase drawings and specifications by the OWNER, FNI shall proceed with the performance of services in this phase. FNI shall provide professional services in this phase as follows:

- A. Advise the OWNER of the need for any special services, which are not already included in the Basic Services. The cost of any additional special services shall be paid by the OWNER and are not included in the services performed by the FNI.
- B. Direction and coordination of FNI's staff and sub-consultants for completion of required tasks and deliverables for Bid Phase.
- C. FNI will attend the Pre-bid Conference.
Pre-Bid Conferences to be administered by the OWNER. FNI will assist the OWNER with preparation of agenda, provide the OWNER with meeting notes, and coordinate conference responses with the OWNER. Written responses to issues identified at the pre-bid conference will be in the form of addenda issued after the conference.

- D. FNI will assist the OWNER by responding to questions and interpreting bid documents. Prepare addenda to the bid documents if necessary.
- E. FNI will assist the OWNER in the opening and analyzing of the bids received for each of the two projects. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project. This includes researching contractor qualifications and references. Recommend award of contract or other actions as appropriate to be taken by the OWNER in the form of a Letter of Recommendation.
- F. FNI will conform the construction documents by incorporating all addenda items into the plans and specifications.

Task 7 – Construction Phase Services

Upon completion of the bid phase services, FNI will proceed with the performance of construction phase services as described below. FNI will endeavor to protect the OWNER in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the project.

- A. FNI will assist the OWNER in conducting the Pre-Construction Meeting and prepare meeting minutes.
- B. FNI attend the following Construction Site Visits/Construction Progress Meetings appropriate to the stage of construction to the site and when requested by OWNER, to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Construction Contract Documents. In this effort FNI will endeavor to protect the Owner against defects and deficiencies in the work of Contractors and will report any observed deficiencies to Owner. Visits to the site in excess of the 10 site visits/meetings are an additional service.
- C. Punchlist Meeting: Conduct, in company with the Owner's representative, a final review of the Project for conformance with the design concept of the Project and general compliance with the Construction Contract Documents. Prepare a list of deficiencies to be corrected by the contractor before recommendation of final payment.
- D. Establish and maintain a project documentation system consistent with the requirements of the construction Contract Documents. Monitor the processing of contractor's submittals and provide for filing and retrieval of project documentation. Review Contractor's submittals, including, requests for information, shop drawings, schedules, and other submittals in accordance with the requirements of the construction Contract Documents for the projects.
- E. Assist Owner in negotiating with the Contractor to determine the cost and time impacts of changes to construction documents.
- F. Prepare documentation for contract modifications required to implement modifications in the design of the project unless there is a change in project scope. Project design changes due to a change in project scope

will be an additional service.

- G. Notify Owner of Contractor's non-conforming work observed on site visits. Review quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Construction Contract Documents.
- H. Interpret the drawings and specifications for Owner and Contractor. Investigations, analyses, and studies requested by the Contractor and approved by Owner, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.
- I. Revise the construction drawings in accordance with the information furnished by construction Contractor(s) reflecting changes in the Project made during construction. Two (2) Full size bond sets of prints of "Record Drawings" shall be provided by FNI to the Owner.

ARTICLE III: - Project 12: Pump Station and 1.0 MG Tank Improvements

Task 1 – Pump Station Site Study

- A. Meet with OWNER: (1) to review the scope of services, (2) to verify OWNER's requirements for the Project, and (3) to review available data (4) select three potential pump station sites.
- B. Conduct a pump station site selection study to evaluate up to three (3) potential sites for the pump station. Conduct site visits of the potential sites in conjunction with the site study.
- C. Prepare a site selection memorandum to summarize the findings of the study. The memorandum will include preliminary site plans showing the pump station, ground storage tank, yard piping and other major pump station components. The memorandum will also include an evaluation of costs to provide power to the sites.
- D. Meet with the OWNER to discuss the site study memorandum.

Task 2 – Pump Station Preliminary Design Report

- A. Following selection of the pump station site, prepare a pump station preliminary design report.
- B. Develop system curves for the pump station and evaluate types of pumps for suitability for use at the pump station.
- C. Meet with OWNER and visit existing pump stations to obtain OWNER'S preferences on pump station layout and design.
- D. Communicate with potential pump suppliers to collect preliminary pump performance curves and cut-sheets.
- E. Prepare a preliminary layout of the pump station floor plan to fit within constraints of the existing site. Layouts will be provided for up to three (3) different types of pumps/arrangements.
- F. Update the preliminary site plan based on the preliminary pump station floor plans.

- G. Based on the preliminary floor plans and site plan prepare Opinion of Probable Project Costs (OPCC) for all options.
- H. Prepare a preliminary design report describing the proposed floor plan and site plan and Opinion of Probable Project Costs.
- I. Present and review the preliminary design report with the OWNER.
- J. Finalize the preliminary design report based on review comments from the OWNER.

Task 3 – Survey Services

- A. Perform design survey of the approved pump station site, including 1-foot contours, surface features, property lines, manholes, vaults, valves, flow lines, overhead electrical lines, streets, driveways, drainage facilities, fences, utility flagging and marking provided by DIG-TESS, and any potholing performed by the OWNER or utility owner.
 - 1. Contact the State One-Call Utility Locate service (DIG TESS) to initiate franchise utilities to locate their infrastructure in the vicinity of the proposed project. Perform field surveys to tie the horizontal location of these facilities.
 - 2. Provide survey control in a coordinate system and vertical datum as approved by the CITY, and compatible with other projects.
 - 3. Provide topographic survey for an of approximately 5 acres. Topographic survey will include all property monuments, apparent easements, property lines, right-of-way lines, fences, pavement, signs, utility markers, indicate all trees four (4) inches in diameter. Topographic survey will not include individual tree surveys.
- B. Preparation of a Land title Survey for the purchase of property related to the South Heights Pump Station generally located along Highway 290 and Bell Street.
 - 1. Provide deed research for the preparation of easement documents. (This task does not include title research)

Task 4 – Geotechnical Engineering Services

- A. Review the Geologic Atlas of Texas to study general subsurface conditions that are expected at each tank site.
- B. Visit the sites before drilling to select locations for exploratory borings. Engineer will stake the specific locations after checking underground utilities, other existing construction, and accessibility. If any clearing is required FNI will notify the OWNER that
- C. The Engineer will coordinate with the City and Texas 811 regarding underground utilities within the vicinity of the planned boring locations prior to commencement of the field exploration activities.
- D. The Engineer will coordinate with TxDOT to obtain relevant right-of-way permit(s) prior to commencement of the field exploration activities along Highway 290. Provide traffic control signs and cones when drilling in TxDOT ROW, if required.
- E. Subcontract with a drilling contractor to drill exploratory borings for the each of the proposed improvements according to the schedule provided below.
 - 1. Pump Station: Four (4) borings to a depth of 40 feet below existing grade for the pump station.

2. Ground Storage Tank: Four (4) borings to a depth of 30 feet around the tank perimeter and one (1) boring to a depth of 60 feet below existing grade near the center of the tank
 3. The borings will be advanced using standard rotary drilling equipment with continuous-flight augers (solid or hollow stem) or rotary wash methods. Subsurface samples will be collected using 3-inch diameter Shelby tubes for cohesive soils and a 2-inch diameter split-spoon sampler in conjunction with the Standard Penetration Test (SPT) for intermediate and non-cohesive soils. Rock and rock-like materials will be cored using an NX core barrel and/or tested in situ using the Texas Cone Penetration (TCP) Test or the SPT, as appropriate for the material.
 4. Groundwater observations within the borings will be recorded at the time of drilling and at the completion of drilling and sampling.
 5. The borings will be backfilled with auger cuttings upon completion of drilling and sampling.
- F. An Engineer or Geologist experienced in logging borings will direct the drilling, log the borings, and handle and transport the samples. Visual classification of the subsurface stratigraphy shall be provided according to ASTM D2488 and the Unified Soil Classification System (USCS) during drilling and sampling.
- G. Testing shall be performed on samples obtained from the borings to determine soil classification and pertinent engineering properties of the subsurface materials.
- H. The Engineer will select samples for laboratory testing, assign tests, and review the test results.
- I. Laboratory tests will be appropriately assigned for the specific subsurface materials encountered during exploration, but are expected to include:
1. Classification tests (liquid and plastic limits and percent passing the no. 200 sieve or gradation)
 2. Moisture content
 3. Unit dry weight
 4. Unconfined compressive strength of soil and rock
 5. One-dimensional swell
- J. The Engineer will perform the geotechnical engineering analysis and prepare a technical memorandum. The technical memorandum will include the following:
1. Appendix with the boring locations, boring logs, laboratory test results, and a key to the symbols used.
 2. Discussion of subsurface conditions and soil properties indicated by the field and laboratory work and the implications for design.
 3. Foundation recommendations, including bearing capacity of soils, suitable bearing material, lateral and overturning resistance, etc. applicable for the recommended foundation or foundation options.
 4. General discussion of expected construction related issues.
 5. Earthwork related recommendations for use during development of plans and specifications.
- K. Submittals will include an electronic PDF copy of the technical memorandum.

Task 5 – Final Design Phase

After the OWNER has accepted the information provided in the Preliminary Design Phase and has issued written authorization to proceed with the Final Design Phase, FNI shall provide professional services in this phase as follows:

- A. FNI will coordinate internally and also with the OWNER for Phase initiation, planning, execution, monitoring/controlling and closeout. FNI will manage Phase integration, scope, time, cost, quality, staff resources, communications, risk and procurements as necessary. This includes but is not limited to:
 1. Advise the OWNER of need for any special services, which are not already included in the Basic Services. The cost of any additional special services shall be paid by the OWNER and are not included in the services performed by FNI.
 2. Direction and coordination of FNI's staff and sub-consultants for completion of required tasks and deliverables for the Design Phase.
 3. Provide updated design schedule.
 4. Provide internal QA/QC reviews of all Design Phase Deliverables.
- B. Prepare drawings, specifications, Construction Contract Documents, designs, and layouts of improvements to be constructed. Improvements shall include:
 1. Site grading, drives and parking
 2. Site Fencing
 3. 1.0 MG ground storage tank and appurtenances
 4. Pump Station building and appurtenances including HVAC, lighting, electrical receptacles.
 5. Electrical service drop and panels sized for lighting
 6. Pump suction and discharge headers
 7. Pump mounting structures
 8. SCADA system and controls
- C. Coordinate with electrical utility to bring power to the pump station site. This scope does not include design of these facilities. Design of these facilities shall be provided by the electrical utility.
- D. 60% and 90% Design submittal will include:
 1. Prepare 60% and 90% complete project drawings and specifications.
 2. Prepare 60% and 90% EOPC.
 3. Provide a written response to all review comments provided by the OWNER.
- E. Meetings
Attend two (2) workshops (60% and 90%) to review the OWNER's comments on Design Phase deliverables.
- F. 100% Design
 1. Prepare 100% complete project drawings and specifications, signed and sealed for project bid purposes.
 2. Prepare 100% EOPC
 3. Prepare TCEQ coordination and provide project submittal.
- G. Deliverables
 1. Agendas and Meeting Minutes for all meetings – one (1) electronic copy
 2. 60%, 90% and 100% EOPC – one (1) electronic copy by e-mail
 3. 60%, 90% and 100% Construction Plans – one (1) electronic copy downloadable by ftp, four (4) sets of standard 11x17 "half-size" bound plans
 4. 60%, 90% and 100% Technical Specifications – one (1) electronic copy downloadable by ftp and four (4) hard copies

Task 6 – Bid Phase Services

Upon completion of the design services, and approval of Design Phase drawings and specifications by the OWNER, FNI shall proceed with the performance of services in this phase. FNI shall provide professional services in this phase as follows:

- A. Advise the OWNER of the need for any special services, which are not already included in the Basic Services. The cost of any additional special services shall be paid by the OWNER and are not included in the services performed by the FNI.
- B. Direction and coordination of FNI's staff and sub-consultants for completion of required tasks and deliverables for Bid Phase.
- C. FNI will attend the Pre-bid Conference.
Pre-Bid Conferences to be administered by the OWNER. FNI will assist the OWNER with preparation of agenda, provide the OWNER with meeting notes, and coordinate conference responses with the OWNER. Written responses to issues identified at the pre-bid conference will be in the form of addenda issued after the conference.
- D. FNI will assist the OWNER by responding to questions and interpreting bid documents. Prepare addenda to the bid documents if necessary.
- E. FNI will assist the OWNER in the opening and analyzing of the bids received for each of the two projects. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project. This includes researching contractor qualifications and references. Recommend award of contract or other actions as appropriate to be taken by the OWNER in the form of a Letter of Recommendation.
- F. FNI will conform the construction documents by incorporating all addenda items into the plans and specifications.

Task 7 – Construction Phase Services

Upon completion of the bid phase services, FNI will proceed with the performance of construction phase services as described below. FNI will endeavor to protect the OWNER in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the project.

- A. FNI will assist the OWNER in conducting the Pre-Construction Meeting and prepare meeting minutes.
- B. FNI attend the following Construction Site Visits/Construction Progress Meetings appropriate to the stage of construction to the site and when requested by OWNER, to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Construction Contract Documents. In this effort FNI will endeavor to protect the Owner against defects and deficiencies in the work of Contractors and will report any observed deficiencies to Owner. Visits to the site in excess of the 10 site visits/meetings are an additional service.

- C. Punchlist Meeting: Conduct, in company with the Owner's representative, a final review of the Project for conformance with the design concept of the Project and general compliance with the Construction Contract Documents. Prepare a list of deficiencies to be corrected by the contractor before recommendation of final payment.
- D. Warranty Site Visit: Conduct, in company with the Owner's representative, a review of the Project for performance prior to the end of the warranty period. FNI will prepare a list of deficiencies to be corrected by the Contractor. Verification that all deficiencies were addressed is not included within this scope.
- E. Establish and maintain a project documentation system consistent with the requirements of the construction Contract Documents. Monitor the processing of contractor's submittals and provide for filing and retrieval of project documentation. Review Contractor's submittals, including, requests for information, shop drawings, schedules, and other submittals in accordance with the requirements of the construction Contract Documents for the projects.
- F. Assist Owner in negotiating with the Contractor to determine the cost and time impacts of changes to construction documents.
- G. Prepare documentation for contract modifications required to implement modifications in the design of the project unless there is a change in project scope. Project design changes due to a change in project scope will be an additional service.
- H. Notify Owner of Contractor's non-conforming work observed on site visits. Review quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Construction Contract Documents.
- I. Interpret the drawings and specifications for Owner and Contractor. Investigations, analyses, and studies requested by the Contractor and approved by Owner, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.
- J. Revise the construction drawings in accordance with the information furnished by construction Contractor(s) reflecting changes in the Project made during construction. Two (2) Full size bond sets of prints of "Record Drawings" shall be provided by FNI to the Owner.

ARTICLE IV: - ADDITIONAL SERVICES

Additional Services to be performed by the FNI, if authorized by the OWNER, which are not included in the above described basic or supplemental services, are described as follows:

- A. Site clearing required for access relating to geotechnical drilling and exploration.
- B. Phase 1 Environmental Site Assessment (ESA) Services.
- C. Platting services for the pump station site.
- D. Subsurface Utility Engineering (SUE) services.
- E. Additional exploratory drilling and associated laboratory testing due to soft soil conditions or other unexpected site conditions or additional structures.

- F. Detailed settlement studies or other engineering issues resulting from soft soil conditions or other unexpected site conditions.
- G. Design of new power lines to site. FNI will coordinate with power company to get power to the pump station site.
- H. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by the OWNER.
- I. Providing shop, mill, field or laboratory inspection of materials and equipment. Observing factory tests of equipment at any site remote to the project or observing tests required as a result of equipment failing the initial test.
- J. Performing investigations, studies and analyses of Contractor's substitutions of equipment and/or materials or deviations from the drawings and specifications (does not include "approved by ENGINEER" designation as included in the Contract Documents).
- K. Performing investigations, studies, and analysis of work proposed by construction Contractor to correct defective work.
- L. Design, contract modifications, studies or analysis required to comply with local, state, federal or other regulatory agencies that become effective after the date of this agreement.
- M. Services required to resolve bid protests or to rebid the projects for any reason.
- N. Visits to the site during the construction phase in excess of the number of trips included in the Basic Services for periodic site visits, coordination meetings, or contract completion activities.
- O. Furnishing the services of a Resident Project Representative to act as OWNER's on-site representative during the Construction Phase. The Resident Project Representative will act as directed by FNI in order to provide more extensive representation at the Project site during the Construction Phase. Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the Resident Project Representative and assistants, FNI shall endeavor to provide further protection for OWNER against defects and deficiencies in the work.
- P. Providing services made necessary because of unforeseen, concealed, or differing site conditions or due to the presence of hazardous substances in any form.
- Q. Providing services to review or evaluate construction Contractor claim(s), provided said claims are supported by causes not within the control of the FNI.
- R. Providing value engineering studies or reviews of cost savings proposed by construction Contractor after bids have been submitted.
- S. Preparation of tree mitigation plans for local entities.
- T. Expert representation at legal proceedings or at contested hearings.
- U. Special inspections during construction phase.
- V. Field tracing of existing electric circuits.
- W. Power System Study including Arc Flash Analysis.
- X. Modifications to SCADA Panel equipment other than adding a single analog input and reconnecting existing tank inputs.
- Y. Providing renderings, model and mock-ups requested by the CITY.
- Z. Preparing data and reports for assistance to CITY in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.
- AA. Providing services after the completion of the construction phase not specifically listed in Article I through Article III.

ARTICLE V: - TIME OF COMPLETION

FNI is authorized to commence work on the Project upon execution of this AGREEMENT and agrees to complete the services in accordance with the following schedule:

CROSS MOUNTAIN AND NORTH TANK IMPROVEMENTS

PRELIMINARY DESIGN PHASE:

Approximate Notice to Proceed Date:	October 1, 2018
Preliminary Design Submittal:	40 calendar days
Owner Review and Approval:	14 calendar days

DESIGN PHASE

60% Complete Plans:	60 calendar days
Owner Review and Approval:	14 calendar days
90% Complete Plans and Specifications:	60 calendar days
Owner Review and Approval:	14 calendar days
100% Plans and Specifications:	21 calendar days

BID PHASE

Bid Phase:	30 calendar days
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CONSTRUCTION PHASE

Approximate Notice to Proceed (NTP) Date:	September 16, 2019
Construction Phase:	180 calendar days from construction contract NTP
Preparation of Record Drawings:	21 calendar days from date received from Contractor

16-INCH WATER MAIN IMPROVEMENTS

PRELIMINARY DESIGN PHASE:

Approximate Notice to Proceed Date:	October 1, 2018
Preliminary Design:	60 calendar days
Owner Review and Approval:	14 calendar days
Design Survey:	120 calendar days

DESIGN PHASE

60% Complete Plans:	90 calendar days
90% Complete Plans and Specifications:	90 calendar days
Owner Review and Approval:	14 calendar days
100% Plans and Specifications:	21 calendar days

BID PHASE

Bid Phase:	30 calendar days
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CONSTRUCTION PHASE

Approximate Notice to Proceed (NTP) Date:	October 21, 2019
Construction Phase:	300 calendar days from construction contract NTP
Preparation of Record Drawings:	21 calendar days from date received from Contractor

PROPOSED PUMP STATION

PRELIMINARY DESIGN PHASE:

Approximate Notice to Proceed Date:	October 1, 2018
Pump Station Site Study Memo:	60 calendar days

SC-21

FNI _____
OWNER _____

Preliminary Design Report:	60 calendar days
Owner Review and Approval:	14 calendar days
Design Survey:	45 calendar days

DESIGN PHASE

60% Complete Plans:	90 calendar days
Owner Review and Approval:	14 calendar days
90% Complete Plans and Specifications:	90 calendar days
Owner Review and Approval:	14 calendar days
100% Plans and Specifications:	21 calendar days

BID PHASE

Bid Phase:	30 calendar days
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CONSTRUCTION PHASE

Approximate Notice to Proceed (NTP) Date:	September 16, 2019
Construction Phase:	300 calendar days from construction contract NTP
Preparation of Record Drawings:	21 calendar days from date received from Contractor

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in Owner or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation.

ARTICLE VI

RESPONSIBILITIES OF OWNER: Owner shall perform the following in a timely manner so as not to delay the services of FNI:

- A. Designate in writing a person to act as Owner's representative with respect to the services to be rendered under this Agreement. Such person shall have contract authority to transmit instructions, receive information, interpret and define Owner's policies and decisions with respect to FNI's services for the Project.
- B. Provide all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Owner will require to be included in the plans and specifications.
- C. Assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to the Project.
- D. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this Agreement.
- E. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by FNI, obtain advice of an attorney, insurance counselor and other consultants as Owner deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of FNI.

- F. Owner shall make or arrange to have made all subsurface investigations, including, but not limited, to borings, test pits, soil resistivity surveys, and other subsurface explorations. Owner shall also make or arrange to have made the interpretations of data and reports resulting from such investigations. All costs associated with such investigations shall be paid by Owner.
- G. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as Owner may require or FNI may reasonably request with regard to legal issues pertaining to the Project.

ARTICLE V

DESIGNATED REPRESENTATIVES: FNI and Owner designate the following representatives:

OWNER's Designated Representative

Name: _____
 Address: _____

 Phone: _____
 Fax: _____
 E-mail: _____

OWNER's Accounting Representative

Name: _____
 Address: _____

 Phone: _____
 Fax: _____
 E-mail: _____

FNI's Project Manager

Daniel Stoutenburg Jr., P.E.
 10431 Morado Circle
 Austin, Texas 78759
 Phone: 512-617-3100
 Fax: 512-617-3101
 E-mail: DGS@freese.com

FNI's Accounting Representative

Billy Metzger
 10431 Morado Circle
 Austin, Texas 78759
 Phone: 512-617-3177
 Fax: 512-617-3101
 E-mail: Billy.Metzger@freese.com

Future Agenda Items

City Council

October 15, 2018
Regular Meeting

City Council = Red

Planning & Zoning = Green

Historic Review Board = Purple

Board of Adjustment = Blue

City Events=

Oktoberfest (October 5-7, 2018)

Food & Wine Fest (October 27, 2018)

Sun	Mon	Tues	Wed	Thur	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Recognitions:

Minutes:

1. 10-1-18 City Council Regular Meeting

Ordinances

1. Changes to City Lighting Ordinance
2. Consider approval of an Ordinance for Impact Fees
3. Ordinance to amend the Land Use Plan from Medium Density Residential to Commercial, and to change the zoning from R-2 Mixed Residential to C-1, Neighborhood Commercial on approximately 10 acres on Friendship Lane, East of S. Washington Street.

Resolutions:

1. Consider water meter purchases
2. Consider and approve a Resolution authorizing the execution of a Multiple Use Agreement (MUA) with TxDOT, related to construction of sidewalks over TxDOT right-of-way within the City limits.

Approvals-Misc.

1. Approval of Legislative Priorities
2. TMRS-Retirement Benefits

Presentations and Updates:

1. Bulk Trash Pick-Up

Future Agenda Items

Executive Session

November 7, 2018

Regular Meeting

City Council = Red

Planning & Zoning = Green

Historic Review Board = Purple

Board of Adjustment = Blue

City Events=

World War I Centennial Commemoration & Veterans Day

Parade (November 11, 2018)

Veteran's Day Holiday (November 12, 2018)

Thanksgiving Holidays (November 22 and 23, 2018)

Turkey Trot (November 24, 2018))

Sun	Mon	Tues	Wed	Thur	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Recognitions:

Minutes:

1. 10-15-18 City Council Regular Meeting

Ordinances:

Resolutions:

Approvals-Misc.:

Presentations and Updates:

Future Agenda Items:

Executive Session:

PENDING FUTURE AGENDA ITEMS